

July 9, 2022

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: BSOFT
Scrip Code: 532400

Symbol: BSOFT
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - 31st Annual Report of Birlasoft Limited for the financial year 2021-22.

Dear Sir/Madam,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 31st Annual Report of Birlasoft Limited for the financial year 2021-22.

The 31st Annual General Meeting of the Company is scheduled to be held on Wednesday, August 3, 2022.

Kindly take the same on your records.

Thanking you.

Yours faithfully,

For Birlasoft Limited



Sneha Padve
Company Secretary & Compliance Officer

Encl.: - As mentioned above.

Birlasoft Limited

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CIN: L72200PN1990PLC059594

NEW POSSIBILITIES **FRESH PERSPECTIVES**

ANNUAL REPORT 2021-22



NEW POSSIBILITIES FRESH PERSPECTIVES

Birlasoft Limited (Birlasoft) has always believed that the 'status quo', in business, leads to stagnation. Therefore, the Company strives to question the 'norm' with the sole intention of finding new solutions by looking through the lens of 'expertise in digital technologies', built up over time, to help realize the true potential of a client's business model.

The focus of this annual report theme 'New Possibilities. Fresh Perspectives', is on reemphasizing the Company's continuous drive towards achieving higher efficiencies by being innovative and creative with solutions and processes.

To challenge the norm is Birlasoft's promise to all its customers. It's the underlying mantra for the Company to continue to exceed expectations by breaking conventions. Challenging the norm has required management and leadership support and a work environment that encourages feedback from across the organization. In addition, Birlasoft's growing relationships and partnerships with platform providers help clients recognize new possibilities with fresh perspectives.

BOARD OF DIRECTORS

Amita Birla
Chairman

Chandrakant Birla
Director

Ashok Kumar Barat
Independent Director

Anant Talaulicar
Independent Director

Alka Bharucha
Independent Director

Nandita Gurjar
Independent Director

Dharmander Kapoor
Chief Executive Officer
& Managing Director

Chandrasekar Thyagarajan
Chief Financial Officer

Sneha Padve
Company Secretary

AUDITORS

Statutory Auditor
B S R & Co. LLP
Chartered Accountants

Secretarial Auditor
Dr. K. R. Chandratre
Practising Company Secretary

Internal Auditor
Ernst & Young LLP
Chartered Accountants

LEGAL ADVISOR

Khaitan & Co.

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

FINANCIAL INSTITUTIONS

- State Bank of India Limited
- HDFC Bank Limited
- The Hongkong & Shanghai Banking Corporation Limited
- Citibank N.A.
- Axis Bank Limited
- ICICI Bank Limited
- Kotak Mahindra Bank Limited
- Standard Chartered Bank

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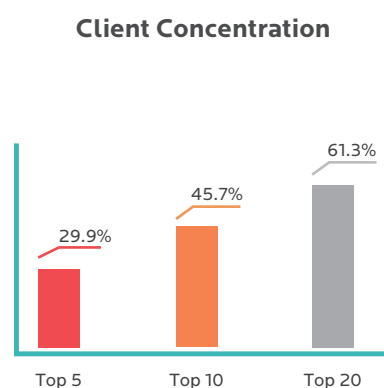
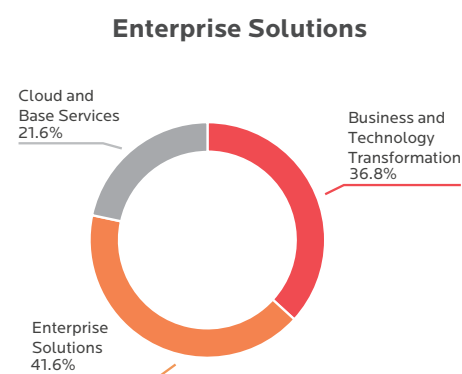
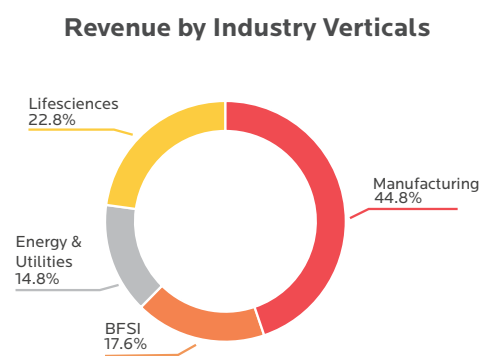
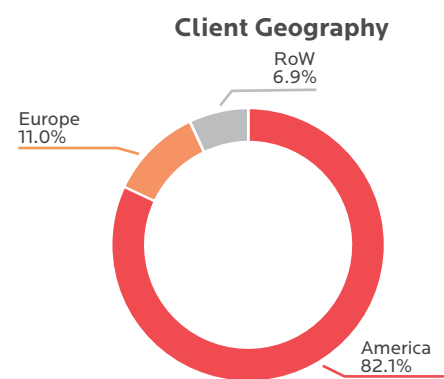
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KEY PERFORMANCE INDICATORS

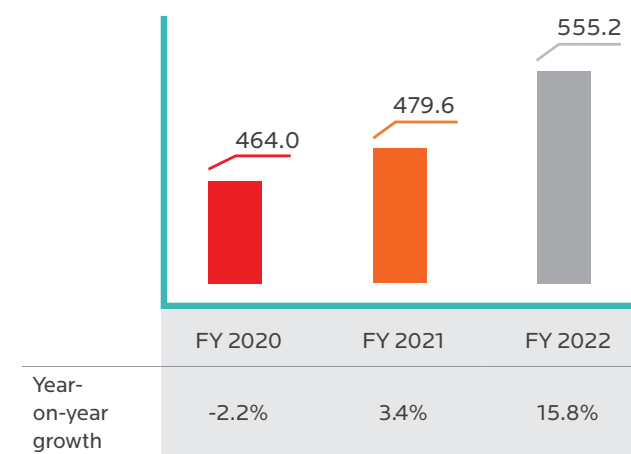
Despite the challenges posed by the second and third waves of the pandemic and the ensuing Great Resignation, Birlasoft recorded significant growth during the year. This has been possible due to the opportunities the Company could leverage in the enterprise digital space using its platform-based solutions.

Key Highlights for FY 2022

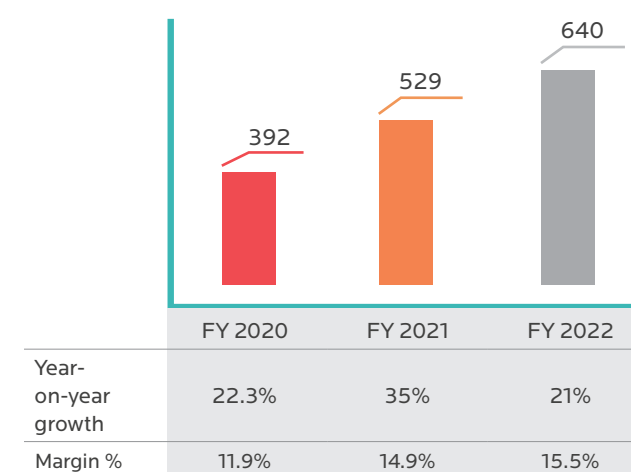
| | | |
|--------------------------|--|--|
| Revenue | EBITDA | Profit After Tax |
| ↑ ₹ 4,130 Cr/\$ 555.2 Mn | ↑ ₹ 640 Cr/\$ 86.0 Mn Margin: 15.5% | ↑ ₹ 464 Cr/\$ 62.3 Mn Margin: 11.2% |
| Headcount | Net Cash and Cash Equivalents | Networth |
| ↑ 12,204 professionals | ↑ ₹ 1,225 Cr/\$ 161.6 Mn | ↑ ₹ 2,583 Cr/\$ 340.8 Mn |



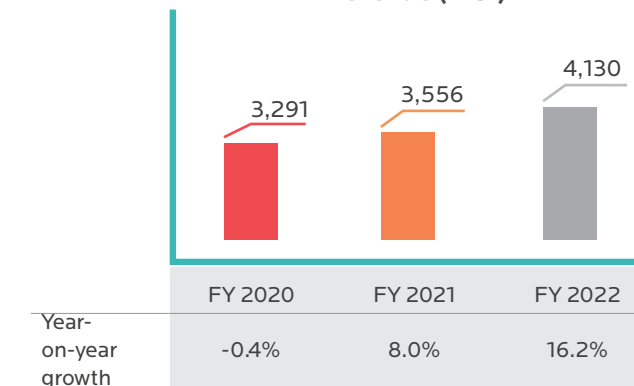
Revenue From Operations (\$ Mn)



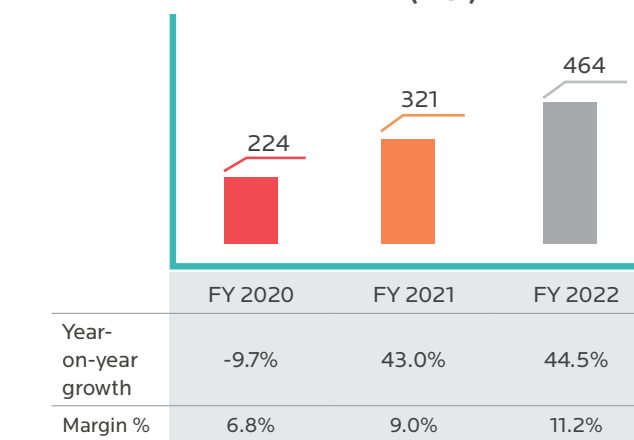
EBITDA (₹ Cr)



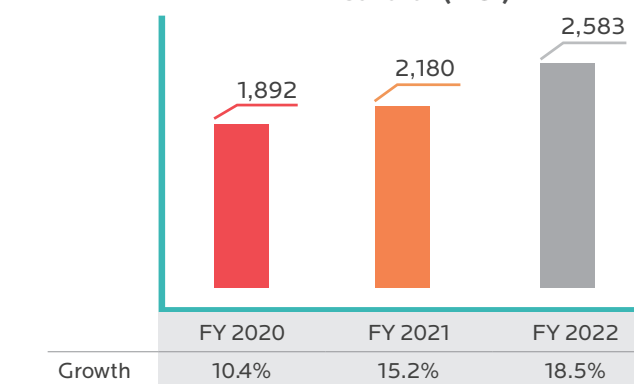
Revenue (₹ Cr)



PAT (₹ Cr)



Networth (₹ Cr)



A FUTURE WITH POSSIBILITY

Birlasoft acknowledges its strong standing as an organization with significant domain and technology capabilities, but focuses on much bigger goals for the future. The Company continues to invest in increasing capabilities and improving the skill sets of its 12,000+ employees.



CHAIRMAN'S LETTER



Dear Stakeholders,

I write to you from the cusp of a new business reality, our post pandemic world of accelerated digital transformations, the great resignation, a work-from-anywhere paradigm redefining the employer-employee relationship, the emergence and recognition of technology as the fulcrum of business continuity and resilience, an increased spend towards enterprise and digital IT solutions, a reset of the wage environment, and the massive shifts in the talent market placing a premium not only on skill sets but also a hybrid modality of contribution. Most important is a recognition of the need to tighten focus on profitability and growth for businesses that stayed in survival mode during the pandemic years.

Amidst all this, I am happy to report that Birlasoft has had quite an extraordinary year.

We registered a revenue of \$ 555.2 Million, growth of 15.8% and delivered an EBITDA margin of 15.5%, recording an improvement of 60 bps. Our profitability grew by 43.6%, and we secured new businesses with a Total Contract Value (TCV) of \$ 444 Million, all in a year that has been part of the most unprecedented and ambiguous period the world has ever experienced.

Growth was led by digital centric service lines of business and technology transformation, and cloud-based services, which grew 26.1% and 29.8%, respectively in FY 2022. The Enterprise Solution business has seen encouraging cloud and base services traction with high single digit growth in the second half, and we expect the momentum to continue into FY 2023.

I want to acknowledge every one of Birlasoft's 12,000+ professionals, who have helped create this immense value for the company's stakeholders.

Birlasoft has once again been recognized as a Great Place to Work®. We are also very proud of being part of the CK Birla group that has been recognized as Nation Builders of the year by the GPTW institute. Our inspirational legacy and our sharp focus on our people, drive our efforts to build a culture of trust, performance orientation and accountability.

Our endeavors in the enterprise digital services landscape have won us several plaudits. Birlasoft is now at Maturity Level 5 of the CMMI Institute's Capability Maturity Model (CMMI)® 2.0 for CMMI-DEV and CMMI-SVC. This Maturity Level indicates the organization is performing at an 'optimizing' level and continuously improving its processes based on a qualitative assessment of its objectives and performance needs.

Our transformational business solution 'Value IN Customer's Interest (VINCI)' won the 'Business Transformation Award' organized by the Mint and TechCircle, under the category of 'Revenue Generation for Customer Experience'. We were also named as the finalist for the 2021 Microsoft Partner of the Year in the category of 'Modernizing Applications'.

As a brand that cares for people and communities, our Corporate Social Responsibility (CSR) philosophy is led by our vision of Create, Collaborate, and Change. We encourage our employees and their families to contribute to society via our Employee Volunteering Program. Our flagship community program, Project Shodhan won the 'Special Jury Award' at the India CSR Summit (India). The program continues to contribute towards the objective of reducing crop residue burning in the Indian states of Haryana and Punjab.

Our COVID-19 Support Program has helped societies recover from the pandemic through mass vaccination drives for vulnerable communities, in addition to building capacity at hospitals by providing advanced service ambulances and medical equipment. Our other programs like DISHA, e-vidya, iPledge, and Joy of Giving continue to make a difference to society.

As we look ahead, Software Services and IT Services are forecast to be the two fastest growing categories of technology spending in FY 2022, and Birlasoft with its balanced business

from Enterprise and Digital is placed well to tap into this opportunity. We continue to strive for excellence in the people space with the use of specialised forecasting models in our hiring, and renewed focus on investing in people development and upskilling. There has been a review of rewards focusing on retention, and our business pipelines are healthy on the sales side and the deals side.

Even with the new set of macroeconomic challenges including the war in Ukraine, inflation, high gas prices, talent shortages, aggressive Federal Reserve rate hike, and continuing supply chain hiccups: the outlook on IT spending remains bullish, and projections indicate an overall increased spend on IT and Tech globally.

We are in a space of confidence about Birlasoft's growth over the next two to three years, and buoyant on our ambitious target of becoming a \$ 1 Billion company by FY 2025.

On behalf of the Board of Directors of Birlasoft, my sincere thanks to all our stakeholders for their unwavering support and continued trust.

Warm regards,
Amita Birla

MESSAGE FROM THE CEO & MD



Dear Shareholders,

I am very pleased to report that we have ended FY 2022 with over 15% revenue growth and over 15% EBITDA margins, which have always been amongst my first goals ever since I took over as CEO of the Company about three years ago. From a negative annual revenue growth and single-digit EBITDA margins back then, we have made significant progress. This is despite the odds of merger and integration challenges in the first year of my tenure, the COVID-19 crisis in the second year and significant supply-side challenges in the past financial year – FY 2022.

I recollect mentioning that, for us it was not about running a sprint, but rather a marathon and we wanted to pick up the

pace, at the right time. Having successfully laid the foundations for growth, I believe the time is now to move towards our aspiration of being a \$1 Billion revenue Company by FY 2025. The icing on the cake is the favorable demand environment over the next two to three years.

ON A STEADY PATH TOWARDS HIGH PROFITABILITY

Coming to the FY 2022 performance, Birlasoft's revenue was at \$ 555.2 Million, a growth of 15.8%. In rupee terms, the annual revenue was ₹ 41,304 Million and grew by 16.2%. EBITDA was \$ 86 Million (₹ 6,401 Million) and EBITDA margin was 15.5% versus 14.9% in FY 2021, showing an improvement of 60 bps and growing 20.4% Y-O-Y. The PAT was at \$ 62.3 Million (₹ 4,636 Million), registering a growth of 43.6% Y-O-Y (44.5% in rupee terms). PAT margin was at 11.2% versus 9.0% in FY 2021, marking an improvement of 220 bps.

Offshore revenues continued to gain momentum in FY 2022 and the revenue share improved by 455 bps to 49.3% in FY 2022 versus 44.8% in FY 2021. Similarly, the revenue from fixed-price contracts stood at 58.6% versus 56.2% in FY 2021.

The year saw strong deal wins with Total Contract Value (TCV) wins of \$ 696 Million, of which \$ 444 Million was new business versus \$ 427 Million in the previous year. Also, the wins from new customers improved significantly to 15.5% in FY 2022 versus 3% in FY 2021. Growth was led by the Americas which grew 22.9%. In verticals, Manufacturing led growth and was up 25.8% Y-O-Y. In services, Business and Technology Transformation and Cloud and Base services grew 26.1% and 29.8% respectively.

Enterprise Solutions saw a mild pick-up in FY 2022 with Y-O-Y growth of 2.5%, with its Y-O-Y growth being in the high single digits in H2 FY2022. The momentum is driven by additional on-premises or off-premises options, improving user experience, an integrated environment and increasing demand for the "as-a-service" model. It is also becoming evident that the market is starting to move towards a more agnostic approach to Enterprise Solution platforms. As a team, we are focused on building and articulating our approach toward a robust platform strategy.

CUSTOMERS DRIVING MOMENTUM

Top customers continued to drive growth in FY 2022:

- Top 6-10, Top 10 and Top 20 customers grew 46.9%, 18.4% and 20.4%, respectively,
- Top 5 customer growth was 7.6% Y-O-Y due to normalization of growth in one of our Life Science customers.

The active customer count was stable at 296 as of March 31, 2022. In FY 2022, we added four customers to the +10 Million bucket, from nine in FY 2021 to 13 in FY 2022, reflecting an effective client mining and cross-selling strategy.

We added 1,153 professionals during the year and the total headcount stood at 12,204 as of March 31, 2022. The attrition issue, at a decadal high, continues to plague the industry. Our past 12-month attrition of 34.3%, the highest to date, is a big area of concern. However, due to our continued efforts on talent retention, the attrition levels have seen some softening in Q4. We continued to maintain over 85% utilization levels throughout the year.

We are making investments in transformation programs to help bring agility, drive faster growth, strengthen service lines, invest in talent and skill development, and improve pricing and productivity.

RECOGNIZED FOR OUR QUALITY AND SERVICE

As a testimony to our growing brand, we have received several accolades. Birlasoft was recognized as 'Great Place to Work®-Certified' and was named a finalist for the 2021 Microsoft Partner of the Year. Our Company was also honored at the Mint-TechCircle Business Transformation Symposium Awards 2021. The Company's marquee community development and crop residue management initiative, Project Shodhan, was acknowledged with the Special Jury Award at Edition #8 of the India CSR Summit. Also, Birlasoft was among the leading providers in the Booming 15 category, globally based on Annual Contract Value (ACV) won over the last 12 months, according to the 1Q 2022 Global ISG Index™. It is the eighth consecutive time that we have been featured across named categories by ISG.

In conclusion, I would like to add that the demand environment continues to remain robust, especially in digital, cloud, and re-initiation of transformation programs. This demand is powered by customers looking at shorter and sharper returns and focusing on cost containment while improving their spend on value-driven initiatives. The deal pipeline is robust and traction from both new and existing customers is good.

I remain optimistic about our growth journey and look forward to yet another successful year!

Best wishes,

Dharmander Kapoor

BOARD OF DIRECTORS



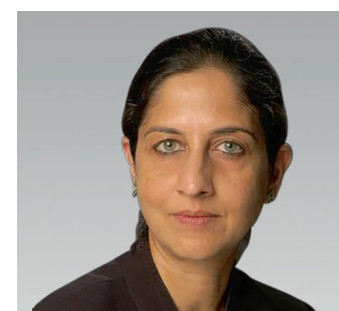
Amita Birla is the Chairman of Birlasoft and the Co-Chairman of the CK Birla Group. She leads the long-term strategy development and implementation at Birlasoft, and drives its continuous evolution into a future-focused, inclusive and employee centric organization. Under her leadership, Birlasoft continues to deepen its capability in domain, expand its global footprint and create excellence in service delivery. Her people-focused leadership has catalysed the introduction of global standards for business and people, not just at Birlasoft, but across the entire spectrum of the CK Birla group's lines of business. Amita Birla and her husband CK Birla, are both committed philanthropists, who support social development, healthcare delivery and the advancement of science, technology and art and culture through their family foundations and philanthropic initiatives.

Chandrakant Birla is the Chairman of the CK Birla Group. The Group operates in three industry clusters: technology and automotive, home and building, healthcare and education, with the businesses present across five continents. He is a keen philanthropist who is committed to social development in India, creating a sustainable positive impact, and the advancement of science and technology, art, and culture.



Ashok Kumar Barat had a long and distinguished executive career in the corporate sector, including as Managing Director and CEO of Forbes & Company Limited, till June 2016. Ashok is a Fellow of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, an Associate of the Institute of Chartered Accountants of England & Wales, and CPA, Australia. He is a Certified Mediator empanelled with the Ministry of Corporate Affairs, Government of India. He is a member of the board of directors of several companies.

Anant Talaulicar holds a B.E. (Mechanical) degree from Mysore University, an M.S. degree from the University of Michigan in Ann Arbor, and an MBA from Tulane University, U.S.A. He was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins Group in India, and the Managing Director of Tata Cummins Limited from March 2004 till October 2017. Currently, Anant is on the board of seven Indian companies, a trustee on three foundations, and teaches part-time at the S. P. Jain Institute of Management & Research.



Alka Bharucha holds B.A. (Hons), L.L.B. (University of Bombay), and L.L.M. (University of London) degrees. She is a member of the Bar Council of Maharashtra and Goa and the Bombay Incorporated Law Society; a Solicitor registered with the High Court (Mumbai) and Supreme Court of England and Wales and also an Advocate on Record, Supreme Court of India. Alka began her career with Mulla & Mulla & Craigie Blunt & Caroe and joined Amarchand & Mangaldas as Partner in 1992. In 2008, she co-founded Bharucha & Partners which, since inception, has been ranked by RSG Consulting, London among the top law firms in India. She has over 30 years of experience ranging across mergers and acquisitions, private equity investments and joint ventures, banking and structured finance, capital markets and infrastructure.

Nandita Gurjar is a technologist turned HR professional. Nandita's experience in mainstream IT spans software development, general management, and consulting. She started her career at Wipro InfoTech in 1992 as a software programmer and moved to manage training. She joined Infosys Limited in 1999 and moved to Infosys BPO in 2003 as Head of HR. In 2007 she became the Global Head of HR of Infosys Group and exited in 2014. She won the 'Human Capital Business Leader' award from the Singapore Society of Human Resource Management and was featured as "25 Most Powerful Professional Women in India" in Business Today magazine. Currently, she is an advisor to startups and an independent director in listed and unlisted companies. She is an Advisor to the Leadership Institute of SBI, India's largest bank, and consults with organizations on HR strategies and execution.



Dharmander Kapoor (DK) is the Chief Executive Officer (CEO) & Managing Director of the Company. Before being elevated to CEO, he served as the Chief Operating Officer (COO) at Birlasoft, where he managed Global Delivery, Business Development, Advisory, and other enabling functions. With a Master's degree in Computers from Kurukshetra University, India, DK is an industry veteran with over 30 years of experience and co-owns patents around Cloud & Digital. Before joining Birlasoft, he was heading Business and Technology Transformation Services with HCL Technologies. DK has led the successful integration of the erstwhile Birlasoft and KPIT IT services businesses. He has also been instrumental in shaping the Company's strategy pivoted on the Enterprise to the Power of Digital™ framework, focusing on next-generation digital services offerings.

ABOUT BIRLASOFT

As part of the multibillion-dollar diversified CK Birla Group, Birlasoft along with its 12,000+ professionals, is committed towards continuing the Group's 160-year heritage of building sustainable communities.

The Company's consultative and design thinking approach helps customers run businesses and in turn, makes society more productive. Birlasoft combines the power of domain, enterprise, and digital technologies to reimagine business processes for its customers and their ecosystems.

“ THE CK BIRLA GROUP

The CK Birla Group is a diversified **\$ 2.8 Billion** conglomerate with a storied history of enduring relationships with renowned global companies.

With a presence spanning five continents, **46 manufacturing facilities**, and exceeding **30,000 employees**, the Group operates in three industry clusters – technology and automotive, home and building, healthcare and education. Each business is geared for transformation and aimed at building on the collective strengths and synergies of the Group's size and span.

The Group's companies are strengthened and built upon shared guiding principles that include a focus on long-term value, trust-based relationships, and philanthropy. Innovation is the Group's cornerstone and its expertise shines through in the numerous patents and awards collected over the decades.

”

MISSION

Making societies more productive by helping our customers run their businesses.

VALUES

Engaged – People are our biggest assets. This includes the customers we serve, our colleagues and the suppliers we partner with. When customers work with us, they allow us to enter their organization and blend harmoniously with their culture and people. We engage with them to work seamlessly. It's no different when it comes to working with our partners.

Dependable – Customers look for support and we make them feel that they can rely on us. It's very important for us to find out how we as an organization can win their trust and continue to function as a dependable unit.

Challenger – Our organization is about scale and quality. We take great care to deliver the best to our customers by understanding their needs. Focus, agility and flexibility from our side are always paramount as we go the extra mile to drive success for our customers.

AWARDS AND RECOGNITIONS

Birlasoft Appraised at CMMI 2.0 Level 5



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Birlasoft is Now Great Place to Work®-Certified




[Read More](#)

Birlasoft Honored at the Mint - TechCircle Business Transformation Symposium Awards 2021



[Read More](#)

Birlasoft Recognized as a **Finalist of 2021 Microsoft Partner of the Year Awards**



[Read More](#)

SERVICES WE OFFER



ERP

Birlasoft's ability to discern the paradigm-shifting transformational powers of digital technologies and the Company's global partnerships with leading technology providers perfectly positions it to achieve targeted transformations in mission-critical business scenarios. Comprehensive enterprise services target key areas of operation across process execution, product management, marketing, and the distribution/supply chain to maximize value.



DIGITAL

Birlasoft has built a reputation for helping its customers maximize value from their digital transformation journeys. Whether in the factory, field, or elsewhere, Birlasoft can use its expertise in digital and emerging technologies along with smart digital tools to help organizations realize quick value, streamline operations, improve compliance, and better manage assets.



INFRASTRUCTURE AND CLOUD TECHNOLOGY

The Company's solutions, including cloud consulting services, migration services, cloud-native development, and managed services, combined with robust, intuitive IT infrastructure helps customers extract maximum value from their digital transformation activities to become truly future-ready. Birlasoft's innovative Infrastructure and Cloud Technology services are designed to increase efficiency while simultaneously reducing investments.



CUSTOMER RELATIONSHIP MANAGEMENT

Birlasoft's extensive CRM practice and partnership with leading players help businesses drive better sales and relationships. The Company's CRM expertise helps organizations recognize and apply the capabilities of multiple CRM solutions with low Total Cost of Ownership (TCO) and high ROI. A combination of advisory, implementation, and support services provides organizations with comprehensive CRM solutions.



TESTING

Birlasoft offers its testing expertise to global organizations to address multiple requirements in different domains such as DevOps and CI/CD initiatives, digital transformation, IoT, social, mobile, analytics and big data, cloud integration, multiple mobility platforms. The Company merges expertise with innovation to improve business outcomes at a lower overall TCO, with higher quality and faster delivery time to market.



IT CONSULTING

Birlasoft's IT Transformation Services (ITTS) offers an integrated approach to the transformation of business processes, technology, and operating models. The objective is to enable enhanced business-IT alignment, realize business value, and optimize TCO for IT assets and services.

INDUSTRIES WE SERVE



MANUFACTURING

Birlasoft helps manufacturers expedite their Industry 4.0 journey with its proprietary Manufacturing MACH approach. The Company's expertise and solutions help organizations reimagine business models, transform product lifecycles, digitize operations, and drive best-in-class stakeholder experiences. Accelerating the customer's digital transformation journey is possible with focused and strategic interventions across systems, process re-engineering, data management, UX, Cloud, and digital technologies, thereby generating long-term business value.



ENERGY AND UTILITIES

The Company's solutions and services have helped customers in the Energy and Utilities sectors modernize processes across the value chain. Its offerings help in driving compliance in health and environment, improve workplace safety, increase operational efficiency, and allow organizations to become more agile and productive. Birlasoft's specialists help find innovative solutions with a focus on key areas such as operational excellence, corporate business transformation, digital transformation, workforce enablement, customer experience, and technology expertise.



LIFE SCIENCES

With the use of state-of-the-art and emerging digital technologies, Birlasoft provides services across the entire value chain of organizations in the pharmaceutical and medical devices sectors. This range of expertise caters to all verticals, including discovery, trials, production, sales and marketing, field service, and support. The Company's solutions in this industry have helped customers innovate faster, deliver more effective therapeutic products and services, reduce costs, improve customer experience, and meet stricter global quality and regulatory compliance requirements.



BANKING, FINANCIAL SERVICES, AND INSURANCE (BFSI)

Birlasoft caters to some of the largest organizations in the BFSI sector helping them digitally transform their businesses, improve operational efficiency, optimize costs, mitigate risks, build agile regulatory responses, and create superior digital experiences. The Company's expertise in and focus on core system modernization, business process overhaul, digital technologies and platforms, core infrastructure, data management, and CRM helps organizations overcome hurdles and generate long-term value.



COMMUNICATIONS, MEDIA, AND TECHNOLOGY

The Company's expertise, solutions, strategic advisory services, and seamless system integrations transform organizations in the Communications, Media and Technology sectors. A combination of holistic design thinking and innovative tactical solutions have helped customers become leaner, optimize processes, and streamline their content value chain.

ENHANCED METRICS, ROBUST GROWTH

Birlasoft continues to strive towards achieving high standards of operational rigor. Improving metrics on all parameters requires a balanced combination of creative expertise and providing solutions that use the right technology for the appropriate problem.





OUR PEOPLE

For Birlasoft, its employees are its biggest assets. The Company's commitment towards its people and their families is anchored around the core values of 'Engaged, Dependable, Challenger'.

Birlasoft has taken several steps as part of its employee engagement program – to upskill and help retain talent. Some activities focused on enhancing employee-friendly policies such as increasing promotion cycles in FY 2023, restructuring compensations, strengthening monthly compensations via regular pay-outs of incentives, and launching a benevolent employee fund.

BIRLASOFT'S CSR DNA

Birlasoft works towards producing an overall positive impact on society by delivering economic, social, and environmental benefits to all its internal and external stakeholders. Through its Corporate Social Responsibility (CSR) initiatives, the Company commits to contribute to sustainable economic development by aligning its corporate goals with those of the society.

CSR VISION

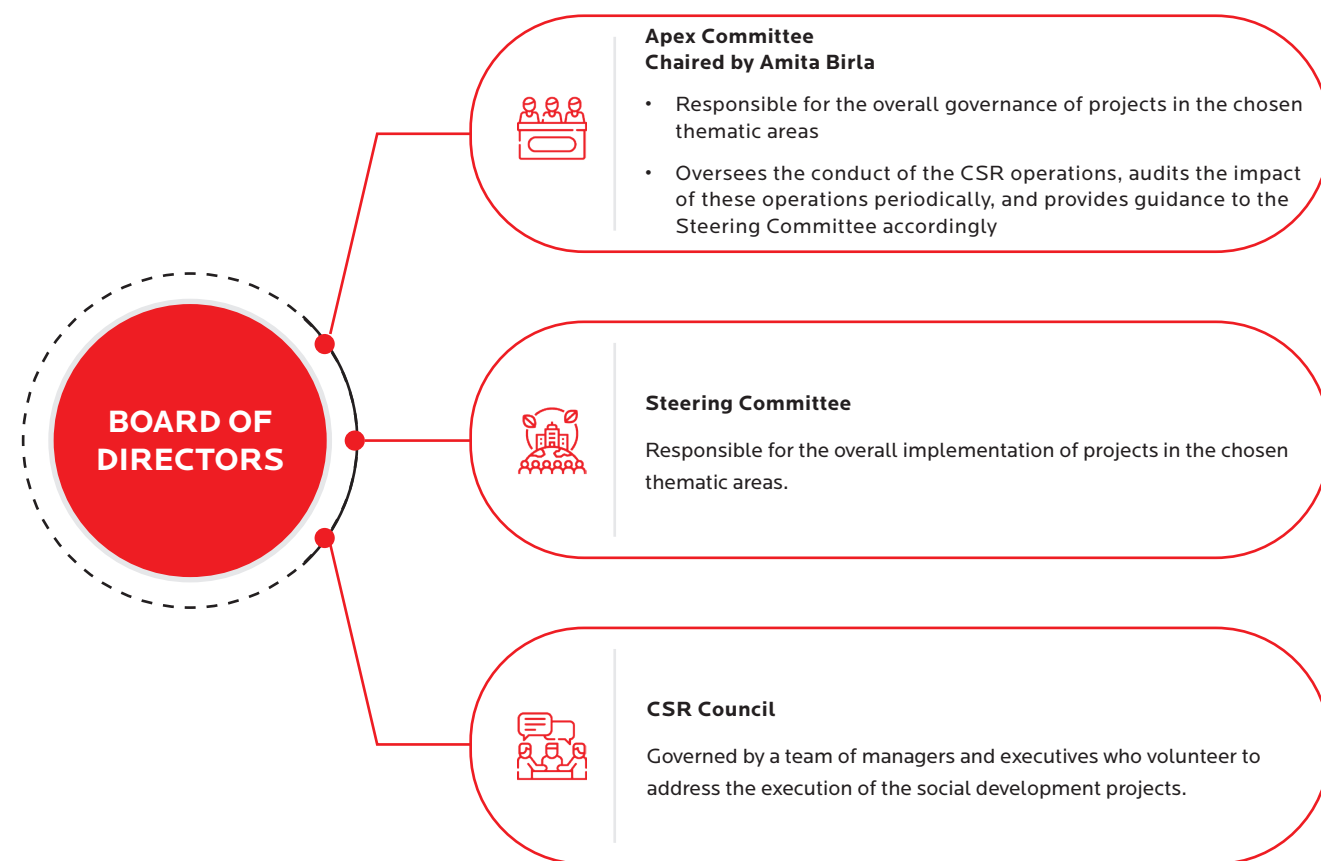
Create, Collaborate, Change, and Consistency

The Company maintains a high standard of governance internally and ensures that its decisions are aligned with the interests and aspirations of all its stakeholders. Ethics is the great foundation of CSR and a pillar of corporate governance, and the Company aims to draw a perfect balance between economic and social goals.

Birlasoft actively engages its people and encourages volunteerism for various socio-development programs and initiatives. The Company follows a top-down approach, where leaders motivate employees and their family members to participate in community initiatives. Passionate employees are rewarded and recognized. The Company has a robust monitoring mechanism to report CSR projects. To ensure transparency, Birlasoft publishes its sustainability and annual reports on the Company website and effective communication tools are leveraged to share CSR-related information with its internal audience.



GOVERNANCE OF THE CSR FUNCTION



INITIATIVES TO EMPOWER COMMUNITIES

Birlasoft believes in giving back to the society and the communities the Company operates in. The Company's programs are driven by two key themes:

- » Environment sustainability, which focuses on maintaining air, water, soil quality, and ecological balance
- » Women and children development, which focuses on education, health and hygiene, scholastic development of children from socio-economically weaker sections, empowerment and enablement of women through education, and skill development initiatives

PROJECTS UNDERTAKEN IN FY 2022

The Company's CSR programs and projects are undertaken by in-house teams and implemented with the assistance of NGOs. Here are some projects undertaken by Birlasoft in FY 2022:

- Project Shodhan
- COVID Support Program
- Cervical Cancer Program
- i-Pledge
- Joy of Giving
- Employee Volunteering Program

PROJECT SHODHAN

Birlasoft's flagship award-winning Project Shodhan was inceptioned in 2017. It focuses on the villages of Haryana and Punjab, the two big states of India and major producers of rice. Project Shodhan's objective is to reduce crop residue burning by educating farmers. To date, the Company has covered 84 villages in Punjab and Haryana, covering approximately 71,000 acres of farmable land. In collaboration with the CII Foundation and local and corporate volunteers, the Company conducts awareness sessions to mobilize farmers and their families in the identified villages and orient them with new farming practices which obviate the need for stubble burning. Birlasoft has received the Grant Thornton 'Social and Business Enterprise Responsible Awards' (GT SABERA) for three years, and was also conferred with the 'Special Jury Award' from CSRBOX in FY 2022.

COVID SUPPORT PROGRAM

As the world was unsettled due to the rampant spread of the coronavirus, Birlasoft proactively came forward to support the nation and its fellow citizens. The Company conducted mass inoculation drives for marginalized and vulnerable communities.

In the unprecedented times of the COVID-19 pandemic, sharp realization surfaced on the development of medical infrastructure. Birlasoft extended support in capacity building of a Pune-based hospital. We provided a good number of ambulances and medical equipment to the hospital to support the community in emergency medical situations.

PREVENTIVE HEALTHCARE PROGRAM FOR WOMEN

Birlasoft initiated the program in the state of Rajasthan in partnership with the William J. Clinton Foundation (WJCF) on secondary prevention of cervical cancer through improved access to screening and treatment of pre-cancerous lesions. The Company is actively engaged with health leadership and key stakeholders in the state government on the need for intervention in the space, the support being extended to facilitate the initiation of services, and the potential impact on strengthening access to care. Birlasoft and WJCF are working together to identify, pivot, and support activities in identified geographies, including potentially scaling-up support in states. The program is being carried out in ~20 public health facilities across two districts in the state.

I-PLEDGE

The initiative was inceptioned in 2018 and has been running successfully for the last three years. This initiative came into existence to celebrate women's health. Under this initiative, Birlasoft donates a pack of sanitary towels to women from underprivileged communities. Awareness sessions on menstruation health and hygiene from medical professionals are part of the initiative. To date, we have distributed 6,000+ sanitary towel packets to women in different parts of the country. In FY 2021, we introduced reusable sanitary pads to a small segment of women from deprived communities.

JOY OF GIVING

Since 2019, every year in October, Birlasoft employees witness the celebration of Joy of Giving. In this month-long festival, the Company connects non-profits with its employees and their family members, who wholeheartedly contribute to the growth and development of the charitable organization.

EMPLOYEE VOLUNTEERING PROGRAM

Birlasoft CSR projects provide a platform for employees to contribute to society as per their interests and talent. Employees have access to various volunteering opportunities, from the stage of need assessment to the impact study of a project. Volunteers impart skills, share knowledge, mentor youth, coach and guide the women community, support behavioral communication change, audit the implementation plan, and make an impact. Birlasoft, with the help of its employees, conducts donation drives and campaigns to support the underprivileged community.

A FUTURE OF BREAKING BARRIERS

For Birlasoft, the last few years have proven that the drive to #ChallengeTheNorm must continue with added vigor.

The Company is committed to the qualitative assessment and enhancement of business processes and operational efficiency, both internally and for the benefit of its clients. Birlasoft looks forward to a future of challenging the norm and breaking barriers with the support of its people and clients.



MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT BIRLASOFT

Birlasoft combines the power of domain, enterprise, and digital technologies to reimagine business processes for customers and their ecosystems. Its consultative and design thinking approach makes societies more productive by helping customers run businesses efficiently. As part of the multibillion dollar diversified CK Birla Group, Birlasoft, comprising over 12,000+ professionals, is committed to continuing the Group's 160-year heritage of building sustainable communities.

CK BIRLA GROUP PROFILE

The CK Birla Group is a diversified \$ 2.8 Billion conglomerate that has enduring relationships with renowned global companies.

With over 30,000 employees, 46 manufacturing facilities, and numerous patents and awards, the Group's businesses are present across five continents. The Group operates in three industry clusters: technology and automotive, home and building, healthcare and education.

The CK Birla Group companies are strengthened by shared guiding principles that focus on long-term value creation, trust-based relationships, and benefit to society. Each business is transforming to build on the collective strength and synergies of the Group's size and span.

COMPANY OVERVIEW

Birlasoft has unique, industry-leading capabilities from the Enterprise Product and Cloud companies: SAP, Oracle, J D Edwards, Microsoft, Amazon Web Services (AWS), Google, Salesforce.com, Service Now, etc. The Company has strategic-level partnerships with SAP, Oracle and Salesforce, a position unmatched by any other similar-sized company. Birlasoft also possesses significant 'digital' capability in Analytics, Robotic Process Automation (RPA), Digital Portals, User Experience and Digital Advisory services. A sizeable extensive set of solutions and services continue to demonstrate its capabilities and presence in application development, support, and maintenance for next-generation services in the digital world.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The world is indeed living in an elevated VUCA time (Volatile, Uncertain, Complex, and Ambiguous). The COVID-19 pandemic continued to hold the world economy hostage with the spread of new virus variants such as Delta and Omicron. This caused some disruption and slowed the pace of economic recovery through the year. However, the extensive COVID vaccination programs globally, including in India, are helping in the recovery process. While at the end of the financial year, activities returned to normal in India, almost to the pre-covid levels, in some pockets of the globe, the infection rates remained high. Many countries in the European Union (EU) region, the United Kingdom (UK), Mexico, etc. have removed COVID restrictions, despite continued infections. The British government dropped the restrictions in the UK in February 2022 and announced that health officials should start managing the virus in the same way as seasonal flu.

While the world took the COVID-19 pandemic in its stride for a couple of years, the fragile geopolitical situation worsened between Russia and Ukraine with the outbreak of war in February 2022. A long war involving Russia — a key supplier of oil, natural gas, coal, aluminum, and wheat — and Ukraine — also a key exporter of wheat and oilseeds — has fueled high inflation, especially of oil (trading over \$ 100 per barrel), gas and food products. This has further disrupted the global supply chains and derailed the global economic recovery. USA, UK, and EU have imposed multiple sanctions on Russia's financial system, banks, travel, trade, exports, etc. Many US companies, including a few IT companies, have announced pulling back or shutting down operations in Russia. These curbs will alter world trade and will impact growth and collaborations going ahead.

The year also witnessed the era of The Great Resignation — a phenomenon that describes a wave of people quitting their jobs due to the ongoing COVID-19 pandemic, which led many to rethink where, how, and why they work. As Anthony Klotz, an organizational psychologist and professor at Texas A&M University says, "It's not just about getting another job or leaving the workforce, it's about taking control of your work

and personal life and making a big decision — resigning — to accomplish that". The Great Resignation seen across the globe, across sectors and industries, has led to significant disruption in global supply chains, chip shortages, wage inflation, job mobility, and remote working being the norm.

According to India's premier information sector body The National Association of Software & Services Companies (NASSCOM), India's information technology and back-office sector grew by 2.3% in FY 2021 to \$ 194 Billion, and the industry displayed resilience and agility in the first pandemic year when the global growth shrunk ~3.5% in the year 2020. NASSCOM expected the IT Industry growth to pick up by ~15% in FY 2022 to \$ 227 Billion, witnessing a \$ 30 Billion incremental revenue in the year on the back of rapid acceleration in the digital transformation and technology adoption. According to NASSCOM, India has emerged as a global hub for digital talent with a technology workforce of over 5 Million. The industry recorded nearly 10% growth in the direct employee pool in FY 2022(E) with a highest-ever net addition of approximately 4,50,000 to its employee base. With 1 out of 3 employees already digitally skilled, the digital tech talent pool is 1.6 Million, growing at a CAGR of 25%. With a massive focus on reskilling and upskilling, the Indian technology industry reskilled ~2,80,000 employees in FY 2022. With over 36% of women employees, the Indian tech industry is one of India's largest private-sector women employers, with over 1.8 Million women in the workforce. India continues to be the third-largest start-up hub globally, with 25,000+ tech start-ups, and witnessing 42 new unicorns and 11 IPOs in the FY 2021. The Indian technology industry has emerged as the leader in seamlessly transforming to hybrid work models. With over 70% of technology organizations looking at adopting hybrid work models, the industry has set global standards on virtual screening, recruitment, onboarding, and training, making it a business-as-usual norm.

THE YEAR GONE BY

According to NASSCOM, the Indian IT industry is estimated to have reached \$ 227 Billion clocking ~15% growth, the highest y-o-y growth since the year 2011. Birlasoft, in its new avatar post the merger in January 2019, also grew in line with the industry in FY 2022, registering a growth of 15.8%. While Birlasoft faced merger and integration-related challenges in its first year post-merger, the second year was impacted by COVID-19. The year under review was when the Company bounced back in line with the industry growth. The Company's growth was driven by Business and Technology Transformation services which grew by 26.1% Y-O-Y, and Cloud and Base services, which saw an increase of 29.8% in FY 2022. With business normalization across the globe and in India, the

Enterprise Solutions business also witnessed a steady growth of 2.5% throughout the year, against a decline of 7% seen in the ERP (IES and SAP) business in FY 2021.

The financial year 2021-2022 in India began with the arrival of COVID 19's second wave — the delta variant, which peaked in April-May 2021; this wave was worse than the first wave but due to rampant vaccination programs, it settled much earlier than the first wave. The demand situation for the industry had started improving in the second half of the financial year under review, which led to a demand-supply mismatch for the industry which is reflected in rising employee attrition levels since the beginning of FY 2022. In FY 2021, the attrition was one of the lowest for the industry as a whole, and with the increase in demand, including a pent-up demand, the attrition started rising at the beginning of the financial year, remained worse throughout the year, and is expected to soften in the middle of FY 2023. The Company continued to strengthen its talent supply processes through streamlined resource planning, automated skill matching and enhancement tools, and dynamic reporting.

The Company reported revenue of ₹ 41,304 Million (\$ 555.2 Million), a growth of 16.2% Y-O-Y (15.8% in \$ terms), despite many key challenges such as COVID-19's second and third waves and elevated attritions through the year. The EBITDA stood at ₹ 6,401 Million (\$ 86.0 Million), a growth of 21.0% Y-O-Y (20.4% in \$ terms). Despite higher costs emanating from the supply-side challenges, the EBITDA margins improved from 14.9% in FY 2021 to 15.5% in FY 2022, an improvement of 60 bps. The PAT stood at ₹ 4,636 Million (\$ 62.3 Million), an increase of 44.5% (43.6% in \$ terms).

The new deal momentum improved through the year. Total Contract Value (TCV) deal wins for FY 2022 stood at \$ 444 Million versus \$ 427 Million in the previous year, an improvement of 3.9% Y-O-Y. In a post-COVID demand environment, it has been observed that the deal size is getting smaller and of shorter duration compared to pre-COVID times. About 84.5% of the total deal wins in FY 2022 came from existing customers compared to 97% in the previous years. With the opening up of the economy and minimal travel restrictions, the share of business from new customers has gone up from 3% in FY 2021 to 15.5% in FY 2022. The cross-selling to existing customers resulted in solid growth from the top customers in FY 2022.

Birlasoft is distinctly positioned for opportunities in the enterprise digital space, leveraging platform-based solutions and in FY 2022, saw an accelerated growth of 15.8% versus 3.4% in the previous year. The Enterprise Solutions business which declined in FY 2021 saw some traction and posted a 2.5% Y-O-Y growth in FY 2022. Further, the Company was

able to win new customers and simultaneously successfully mine its current customers, thus posting a balanced 15.8% growth. The Company fortified its Cloud-first strategy as an Amazon Web Services (AWS) Advanced Consulting Partner. Achieving AWS Advanced Consulting Partner status further strengthens the Company's cloud portfolio and enables it to leverage AWS to accelerate its enterprise clients' digital transformation journeys. In the previous year, the Company had announced a Global Strategic Cloud Alliance with Microsoft to help its clients accelerate their digital journey. Birlasoft has strategically positioned itself to support its enterprise clients with their cloud transformation needs, from infrastructure to business applications, and its plan to scale its current Microsoft cloud business towards \$ 100 Million has seen healthy traction in FY 2022. The Company will continue to focus on delivering end-to-end services on Microsoft Azure, Microsoft 365, and Microsoft Dynamics 365 to its clients. The Company is also in talks with other major platform players such as Google for similar partnerships. It already has SAP as its partner and works closely with significant platform players such as Oracle, Service Now, Salesforce.com (SFDC), etc. Birlasoft remains optimistic and is well-positioned to capitalize on the growth opportunities.

BUSINESS OUTLOOK

The International Monetary Fund (IMF), in its April 2022 World Economic Outlook, has projected global growth (in terms of calendar years) to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023, respectively, than projected in January 2022. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. The ongoing Ukraine-Russia war would slow the global recovery. Further, it states that the impact of the war would affect commodities, trade, and financial linkages, leading to high inflation, projected to be 5.7% in advanced economies and 8.7% in emerging and developing economies in 2022. The invasion has contributed to economic fragmentation as many countries have severed commercial ties with Russia and risk derailing the post-pandemic recovery. The Company's significant revenue coming from the Americas region (over 80% of revenue contribution in FY 2022) does not have any meaningful economic links with the war-torn countries. Nevertheless, the US economic growth is expected to slow down to 3.7% and 2.3% in 2022 and 2023, respectively, as per IMF, which can pose some risks. Growth in Europe, including the UK, is likely to get impacted due to its energy dependence on Russia and disruption in the supply chain due to the war. As per IMF, the Euro area is expected to grow by 2.8% and 2.3% in 2022 and 2023, respectively. India

also contributes high single-digit revenue. India is likely to grow by 8.2% in the calendar year 2022 and 6.9% in 2023 and is likely to emerge as the fastest-growing major economy, which augurs well for the Company.

It may seem ironic, but the Indian IT industry will post its highest growth in over a decade in FY 2022. The pandemic that began over two years ago hurled many organizations into the future, rapidly accelerating their digital transformation initiatives. Further, it was supported by the change in environments as seamless remote working became commonplace. That said, the headwinds in the form of geopolitical risks, high inflation, macroeconomic volatility, supply chain disruptions, and the after-effects of the pandemic will impact the growth in FY 2023. However, the solid underlying demand environment is likely to have a limited impact on IT services. Global organizations increasingly need digital information, technology, and IT transformation to grow and differentiate the business apart from running the day-to-day operations efficiently.

Gartner Inc, in its April 2022 forecast, expects worldwide IT spending to reach \$ 4.4 Trillion in the calendar year 2022, an increase of 4% from 2021. IT services spending is expected to grow by 6.8% in the calendar year 2022 to \$ 1.3 Trillion, and software spending is expected to grow by 9.8% to \$ 675 Billion in 2022. It further states that inflation rates, geopolitical disruptions, and talent shortages are not expected to slow the IT Investments in the next two years. Gartner believes that the Chief Information Officers (CIOs) are accelerating IT investments as they recognize the importance of flexibility and agility in responding to disruptions with a focus on areas such as analytics, cloud computing, and seamless customer experiences and security. It is also mentioned that the buoyant trend in IT spends is pointing toward multi-year digital transformation, and it is systemic and long-term. It also does not expect the Russian-Ukraine war to directly impact global IT spending.

The NASSCOM Tech CEO Survey 2022 alludes to 70% of the CXOs believing FY 2023 to be another growth year for the industry. The current demand trends on IT spending would spill over to multi-years of technology spending and hiring. According to NASSCOM, the IT industry could grow to \$ 350 Billion by FY 2026, growing at 11-14%. The underlying growth would be driven by solid deal pipelines, with the industry witnessing a more significant proportion of smaller deals for niche differentiated products, enhanced digital demand, and high-tech spending in pharma/healthcare, BFSI, manufacturing, retail/e-commerce verticals in FY 2022-23.

RISK AND OPPORTUNITIES

RISKS

Birlasoft has a structured and consistent approach to identifying risks and creating mitigation plans as part of its Governance, Risks, and Compliance (GRC) practices.

[[Reference to Section on Risks and Mitigation Plan]]

OPPORTUNITIES

The need to modernize will continue to drive IT spends

Technology is evolving rapidly, enabling faster change and progress, causing an acceleration in the rate of change. Updating or replacing the complex legacy IT technology is paramount for organizations to meet their business goals. Although many of the legacy IT systems remain critical for organizations' day-to-day operations, the need to modernize IT infrastructure lags due to not having sufficient budgets, uncertainties over the Return on Investment (ROI), not having the expertise to handle the increasingly complex technical aspects or, perhaps, a combination of the above.

Leaders across the industries would embrace service-based IT — much of it delivered via the Cloud. This would enable increased agility, new capabilities, and better management of capacity and costs. Workforce challenges and changing IT demands spurred by the pandemic are accelerating the shift to services: software-as-a-service, infrastructure-as-a-service, and platform-as-a-service will continue to gain acceptance and popularity. Everything-as-a-service (XaaS) would be critical to digital transformation and key to creating new solutions and business models to thrive in the new normal.

Further, innovation and partnerships across the ecosystem will help accelerate digital capabilities leading to higher investment in R&D, and building products and platforms. Cloud, cybersecurity, data, and AI will continue to be top tech priorities for the industry.

Gartner expects digital business initiatives such as experiential end-consumer experience and optimization of the supply chain to push spending on enterprise applications and infrastructure software into double-digit growth in calendar year 2023.

Birlasoft's Business and Technology Transformation (BTT) services contributed 36.8% in FY 2022 and include services such as Customer Experiences (CX), Automation, Data & Analytics & BI, CRM, Microsoft, IoT, and consulting Microsoft services, Digital and NextGen services and has grown 26.1% in FY 2022. Cloud and Base services which contributes 21.6% and include services such as Cloud, Infrastructure Management, Managed Services, and Testing grew 29.8% in FY 2022. Above industry growth in both BTT and Cloud and Base services mirrors the underlying order in the respective areas. Gartner forecasted the IT services to grow 6.8% to reach \$1.3 Trillion during the corresponding period which augurs well for these service line businesses.

Gartner predicts an increase in ERP investments as more manufacturers push to renovate and replace legacy ERP systems with cloud and hybrid ERP strategies. Enterprise Solutions, which contributed 41.6% to FY 2022 revenues, had a modest growth of 2.5% and is expected to gain further traction in FY 2023, with Gartner Inc forecasting the Software spending to grow at 9.8% to \$ 674.9 Billion in the calendar year 2022.

FINANCIAL PERFORMANCE

The Company's financial highlights, FY 2021-22

The consolidated profit and loss account for the year ended March 31, 2022, was as follows:

| Particulars - in Million | Year ended March 31, 2021 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Revenue from Operations | 35,557 | 41,304 |
| Employee benefits expense | 21,267 | 23,689 |
| Other expenses | 8,998 | 11,214 |
| Total Expenses | 30,265 | 34,903 |
| Earnings before Interest, tax, depreciation & amortization | 5,292 | 6,401 |
| Depreciation and amortization expense | 804 | 765 |
| Earnings before Interest & tax | 4,488 | 5,636 |
| Other Income (Net) | 190 | 662 |
| Finance costs | 130 | 130 |
| Profit Before Tax (PBT) from continuing operations | 4,548 | 6,167 |
| Tax Expense | 1,340 | 1,530 |
| Profit After tax (PAT) | 3,208 | 4,636 |

Analysis of the Consolidated Profit and Loss Statement

Revenues: Revenues from operations reported a growth of 16.2% from ₹ 35,557 Mn in FY 2021 to ₹ 41,304 Mn in FY 2022. Other income of the company reported an increase from ₹ 190 Mn in FY 2021 to ₹ 662 Mn in FY 2022. Other income accounted for only 1.6% of the company's revenues, reflecting its dependence on its core business operations. The Y-O-Y increase in the other income was due to forex gain on forwarding contracts and mark-to-market adjustment of foreign currency assets in FY 2022, as compared to FY 2021.

Expenses: Total expenses of the company increased by 15.3% from ₹ 30,265 Mn in FY 2021 to ₹ 34,903 Mn in FY 2022.

Employee benefit expenses accounted for a 57.4% share of the company's revenues, lower than 59.8% in the previous year. Employee benefit expenses increased by 11.4% from ₹ 21,267 Mn in FY 2021 to ₹ 23,689 Mn in FY 2022, primarily owing to the annual remuneration revision and employee addition during the year. Other expenses, accounting for a 27.1% of the company's revenues, showed an increase of 24.6% from ₹ 8,998 Mn in FY 2021 to ₹ 11,214 Mn in FY 2022.

Tax Expense for FY 2022 was at ₹ 1,530 Mn and stood at 24.8% of the profit before tax (PBT), compared to ₹ 1,340 Mn in FY 2021 at 29.5% of PBT. The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Act 2019, inserted a new section 115BAA ('new tax regime') in the Income Tax Act, 1961, which provided an option to a

domestic company to pay income taxes at reduced tax rate (25.17%, inclusive of surcharge and cess) as per the provisions/conditions defined in the said section. The company assessed the underlying assumptions based on the business scenario and decided to opt for the new tax regime effective from FY 2021.

Analysis of the Balance Sheet

Sources of Funds

The company's balance sheet size increased by 13.0% from ₹ 29,944 Mn as on March 31, 2021, to ₹ 33,833 Mn as on March 31, 2022, owing to better profitability as compared with FY 2021.

The company's net worth increased by 18.5% from ₹ 21,799 Mn as on March 31, 2021, to ₹ 25,831 Mn as on March 31, 2022, owing to an increase in the reserves. The company's equity share capital comprising 279.5 Mn equity shares of ₹ 2 each, increased from ₹ 555 Mn in FY 2021 to ₹ 559 Mn in FY 2022. The nominal increase is on account of a few employees exercising their employee stock options during the year.

The company had no borrowings and is debt-free as on March 31, 2022.

Trade Payables went up by 59% from ₹ 1,318 Mn in FY 2021 to ₹ 2,095 Mn in FY 2022 on account of an increase in sub-contractor provisions.

Other financial liabilities were down up by 17.7% Y-O-Y from ₹ 2,096 Mn in FY 2021 to ₹ 1,725 Mn in FY 2022 due to a reduction in balances with KPIT Technologies Ltd.

Applications of Funds

Fixed assets (net of capital work in progress - CWIP) of the company were up by 15.4% from ₹ 1,287 Mn in FY 2021 to ₹ 1,485 Mn in FY 2022. The increase was primarily on account of the addition to the IT assets of the company.

The goodwill amount went up nominally by 2% from ₹ 4,476 Mn in FY 2021 to ₹ 4,568 Mn in FY 2022 on account of exchange fluctuations.

Segment Results

| Revenue by Industry Practice (IP) | FY 20-21 | | FY 21-22 | |
|---|---------------|---------------|---------------|---------------|
| | ₹ Mn | % Revenue | ₹ Mn | % Revenue |
| Banking, Financial Services and Insurance | 6,430 | 18.1% | 7,261 | 17.6% |
| Manufacturing | 14,675 | 41.3% | 18,494 | 44.8% |
| Energy and Utilities | 5,375 | 15.1% | 6,097 | 14.8% |
| Life Sciences | 9,077 | 25.5% | 9,452 | 22.8% |
| Total | 35,557 | 100.0% | 41,304 | 100.0% |

Company has begun investing in high-rated bonds for better yields on cash, which has led to investments of ₹ 541 Mn in FY 2022 versus nil in FY 2021.

Other financial non-current assets went down from ₹ 353.1 Mn in FY 2021 to ₹ 162 Mn in FY 2022. This was primarily on account of a decrease in the other receivables.

Working Capital Management

Current investments of the company increased from ₹ 5,710 Mn as on March 31, 2021, to ₹ 7,861 Mn as on March 31, 2022. Investments were made in liquid mutual funds and term deposits during the year.

Trade receivables went up by 31.4% from ₹ 5,182 Mn as on March 31, 2021 to ₹ 6,812 Mn as on March 31, 2022, as a result of an increase in the revenue and the days sales outstanding (DSO) from 56 days as of March 31, 2021 to 58 days as of March 31, 2022.

Cash and cash equivalents, primarily current account balances, decreased from ₹ 4,661 Mn in FY 2021 to ₹ 2,906 Mn in FY 2022 as Company made investments in various interest-bearing instruments.

Other balances with the banks increased by 50.5% from ₹ 613 Mn as on March 31, 2021, to ₹ 922 Mn as on March 31, 2022, due to an increase in the interest yielding bank fixed and corporate deposits.

Other financial current assets decreased by 67.6% from ₹ 627 Mn as of March 31, 2021, to ₹ 203 Mn as of March 31, 2022, due to reduction in balances with KPIT Technologies and decrease in the unrealized mark-to-market (MTM) gains on forex forward contracts.

Other current assets increased by 26.5% from ₹ 3,125 Mn as of March 31, 2021, to ₹ 3,954 Mn as of March 31, 2022, due to an increase in the unbilled revenues and balances with statutory authorities.

| Segment Results | FY 20-21 | | FY 21-22 | |
|---|--------------|-----------|---------------|-----------|
| | ₹ Mn | % Revenue | ₹ Mn | % Revenue |
| Banking, Financial Services and Insurance | 1,816 | 28.2% | 1,948 | 26.8% |
| Manufacturing | 4,488 | 30.6% | 5,072 | 27.4% |
| Energy and Utilities | 2,146 | 39.9% | 2,326 | 38.1% |
| Life Sciences | 1,536 | 16.9% | 1,181 | 12.5% |
| Total | 9,986 | | 10,527 | |

| Revenue by Client Geography | FY 20-21 | | FY 21-22 | |
|-----------------------------|---------------|---------------|---------------|---------------|
| | ₹ Mn | % Revenue | ₹ Mn | % Revenue |
| Americas | 27,471 | 77.3% | 33,894 | 82.1% |
| Europe | 4,762 | 13.4% | 4,551 | 11.0% |
| Rest of the world | 3,324 | 9.3% | 2,859 | 6.9% |
| Total | 35,557 | 100.0% | 41,304 | 100.0% |

Ratios

| Key Financial Ratios | FY 20-21 | FY 21-22 |
|-----------------------------------|----------|----------|
| EBITDA Margins % | 14.9% | 15.5% |
| Operating / EBIT Margins % | 12.6% | 13.6% |
| Net Profit Margin % | 9.0% | 11.2% |
| Return on Equity (ROE) | 15.6% | 19.2% |
| Return on Capital Employed (ROCE) | 20.5% | 21.8% |
| Days Sales outstanding - Billed | 56 | 58 |

The company had no debt or borrowings as of March 31, 2021, or as of March 31, 2022. Hence debt-equity ratio and interest coverage ratio are not relevant.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Birlasoft has an established framework for internal controls, commensurate with the size and nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. Birlasoft uses a state-of-the-art ERP system that connects all parts of the organization, to record data for

accounting, consolidation, and management information (MIS) purposes. The company has a well-defined delegation of power with authority limits for approving contracts as well as operating and capital expenditures. The management assessed the effectiveness of the company's internal control over financial reporting.

Birlasoft has appointed Ernst & Young LLP to oversee and carry out an internal audit of its activities. The audit is based on an internal audit plan reviewed each year and approved by the audit committee. The internal audit team periodically conducts audits across the company, including a review of internal

controls' operating effectiveness. The company, wherever necessary, engages third-party consultants for specific audits or reviews

The audited consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards)

Amendment Rules, 2016 and provisions of the Companies Act, 2013. The statutory auditors of the company have audited the consolidated financial results of the company for the quarter and year ended March 31, 2022. An unmodified opinion has been issued by them thereon.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

With the pandemic-induced acceleration in digital transformation, the Indian IT industry is poised to grow at a decade high of ~15% in FY 2022. Enterprises are spending on technology post the pandemic to reduce costs and enhance their business model to stay relevant to their customers. This has triggered a multi-year IT technology upcycle, which has led to an intense race for talent from global rivals, new-age start-ups, captive IT units of multinational corporations, IT product companies, etc., and has seen a significant jump in the attrition levels across the IT industry in FY 2022. Attrition levels for the sector were at a multi-decadal high and are expected to remain elevated until the first half of FY 2023. The large-scale hiring is also impacting the companies' margins as employee expenses shoot up. High attrition, cost to backfill attrition at higher costs, and costs related to retention, bonus, and high inflation in the developed economies are expected to put pressure on margins in FY 2023 for the sector.

While Birlasoft had its fair share of challenges in FY 2022, the Company has braved these and has delivered a 15.8% dollar revenue growth, 60 bps improvement in EBITDA margins, and 43.6% dollar PAT growth in FY 2022.

To contain attrition and for the betterment of the employees, the Company has initiated multiple programs and rolled out more employee-friendly policies at the beginning of FY 2023.

- » The Company has decided to do two promotion cycles in FY 2023 instead of one regular cycle in July. The first promotion cycle will be effective on April 22. This is designed to provide accelerated opportunities for employees to grow and take more prominent roles.
- » The Company has done restructuring of compensation with the removal of variability in compensation for specific junior-level roles, both for offshore and onsite employees.

» Further, the Company has also decided to pay out a portion of target incentives every month, thus strengthening the monthly compensation.

» The Company also launched a benevolent employee fund called Ikshana for its India-based employees to help its employees and their families tide over personal losses and vagaries of life through much-needed financial support.

As of March 31, 2022, Birlasoft had 12,204 professionals, showing a net addition of 1,153 professionals over the previous financial year. Women professionals accounted for 22.7% of the workforce. The Company's Last Twelve Month (LTM) attrition stood at 34.3% as of March 31, 2022.

CAUTIONARY STATEMENT

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections and statements concerning our plans, strategies, intentions, and beliefs relating to our business and the markets in which we operate. These statements are based on available information, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to the industry.

ENTERPRISE RISK MANAGEMENT (ERM)

PREAMBLE

In compliance with regulatory requirements, Birlasoft has implemented a robust Enterprise Risk Management process duly benchmarked with industry standards.

Risks are assessed and managed at various levels and regular intervals with a top-down and bottom-up approach covering the whole enterprise i.e., business units, geographies, delivery, and enabling functions.

Birlasoft believes in complete transparency with stakeholders and in line with these high standards of transparency, we are herewith sharing a summary of key risks and their mitigation plans.

Risk Event 1 # Potential impact of COVID-19 on the global economy and organization

Risk Owner: CEO + CXOs

Description:

Impact of COVID-19 on the human capital and financial health of the organization due to significant cuts on the available budget to meet operational expenses, capital expenditure, and discretionary spends.

Impact of COVID-19 on the human capital and financial health of the organization due to significant cuts on the available budget to meet operational expenses, capital expenditure, and discretionary spends.

Mitigation plan:

Birlasoft management has proactively initiated several actions to minimize the financial impact and ensure business continuity amid the various restrictions enforced by governments across various countries we operate in, i.e.

- » **Defining a comprehensive resilience framework at the organization level to assess internal preparedness to deal with the pandemic**
- » **Providing a comprehensive work-from-home solution ensuring security, meeting agreed on contractual service levels and project milestones**

- » **Regular communication with client leadership on the situation's development**
- » **Formation of management task force to regularly monitor and initiate corrective actions to manage the emerging situation, as required**
- » **Proactive proposals to clients to streamline operational parameters while mitigating service level risks with focus on reducing costs.**
- » **Phased approach for resuming offices to ensure effectiveness and managing any further lockdown after the resumption of services**
- » **Various initiatives on employee health and safety amid the ongoing situation and after opening of office facilities**
- » **Actions to ensure information security while extending the hybrid work facility to employees**

Birlasoft is well poised to take advantage of the opportunity emerging with the emergence of the pandemic and the resulting rapid adoption of digital enablement through transformation, cloud migration, IoT, and mobility trends. Birlasoft has invested in digital labs and Operation Technology (OT) to drive solutions.

Additionally, as a good governance measure, Birlasoft management has been providing regular updates to the Board on various business decisions, the emerging situation, and its potential impact.

Risk Event 2 # Concentration of business in specific geography / customer/ service line

Risk Owner: CBO + CDO

Description:

The company's strategy is to focus on a select number of industry verticals, geography, customers, and offerings, with a possibility of business being concentrated in a particular area with consequential volatility.

Mitigation Plan:

The company mitigates this risk by maintaining a balance between various industry verticals, customers, geographies, and offerings and making special efforts to grow its emerging businesses without compromising on focus. The company continues to have well-spread service lines and a healthy mix of revenue generation from its digital service line. Our focus would be to continue investing to increase our revenue in support and maintenance. Partnerships with established ERP product companies have broadened the customer base and offerings, which will assist in new customer acquisitions and expansion of business. We are also a Microsoft strategic cloud alliance partner, AWS advanced tier consulting partner, and Google Alliance Partner. These partnerships are further going to help strengthen and expand our business.

The company is focusing on accelerating growth in Europe and APAC.

Risk Event 3 # Impact on business due to stiff competition in the market

Risk Owner: CBO + CDO

Description:

Given the dynamic nature of the IT services industry in which the company operates, it faces the risk of competitors providing new offerings / new business models, pricing pressure, consolidation of mid-tier IT companies, etc., which pose challenges to growth and margins.

Mitigation Plan:

The company is focused on driving growth through existing set of top multi-service accounts with a key focus on client management, monitoring of cross-selling, and business transformation revenues while deepening and expanding the client relationship model. The company is also focused on widening the service technology offerings that complement and align with the business imperatives of the customer, which helps in building annuity revenue and long-term client relationships. Strategic tie-ups are also being continuously evaluated with an objective to manage competition, enhance technological competence, and grow inorganically.

Risk Event 4 # Technological Disruption - Adaptation to new technology offerings

Risk Owner: CBO + CDO

Description:

Rapid transformation in technologies like robotics, cognitive technologies, machine learning, cloud, digital, etc., has significantly impacted business models. Delay in adaptation to new technology offerings will have adverse impact on future

growth of the business, cost management and in maintaining healthy growth in revenues.

Mitigation Plan:

The company continues to invest in building functional capabilities (Digital, Data Analytics, Platforms, etc.) with swiftness and agility. The focus on building functional capabilities in desired verticals and focused industries continues. In addition, the company continues to invest in new technologies relevant to customers to enhance capability and to provide platforms for driving initiatives related to customer retention, mining, and new customer acquisition. Simultaneously, we look out for strategic tie-up/merger opportunities to assist in the quick adaptation of emerging technologies and to enhance our footprint into new geographies.

Risk Event 5 # Potential foreign currency risk

Risk Owner: CFO

Description:

A significant portion of the company's revenues are in foreign currency, while a significant portion of the costs are in Indian Rupee. The company has currency risk as the exchange rates of the foreign currencies fluctuate. The Company may avail long term and the short-term loans in foreign currency. The currencies to which the company is majorly exposed to are US Dollars, Euros, and Pound Sterling.

Mitigation Plan

During the year 2021-22, the Company has managed the foreign exchange risk and hedged to the extent necessary. The global economic and geo-political situation continues to remain volatile. Fluctuations in major currencies due to unstable economic conditions could impact revenue and profits of the IT industry. This trend is expected to continue and further volatility is expected due to the conflict in the eastern Europe region and the unprecedented COVID-19 situation. The Company has in place a Hedging Policy to minimize the risks associated with foreign currency rate fluctuations

Risk Event 6 # Resourcing related risk with reference to employee retention, succession, development, and training

Risk Owner: CPO

Description:

The nature of the IT services business mandates the Company to recruit and retain professionals with requisite skill sets, adequate to meet customer demands and in alignment of company's long-term business strategy. Less or under-proficient resources or delayed or absence of availability

of the required resources could result in loss of business opportunities or delivery escalations from the customers.

Mitigation Plan:

The Company has an effective talent acquisition function, which devises strategies to attract qualified and skilled professionals from multiple talent pools and various sources. Talent Acquisition teamwork in close collaboration with business managers to implement a robust selection process which screens and identifies the 'right' skilled resources. Significant investments have been in this area to leverage technology to further enhance the sourcing and selection processes. Additionally, the Company has a focused learning and development strategy which ensures an appropriate training infrastructure and continuous skill enhancement/competency development for all employees. The Learning and Development team is also geared to take care of any business or project specific skilling needs. The Company maintains a healthy 'bench' to ensure resource availability for new projects. This ensures that the delivery teams have the 'right-skilled' resources to deliver quality services to our customers.

The company places premium on retaining its talent and has various employee engagement and development programs across levels to help engage and retain its quality workforce. In order to ensure risk mitigation and business continuity, the Company spends significant time in identifying critical roles and doing succession planning for such roles. This happens through an elaborate talent review process which helps the leadership identify development areas, role enhancement and succession opportunities for the identified talent.

Risk Event 7 # Change in immigration laws of the geographies in which the company operates

Risk Owner: CPO

Description:

Changes in the local immigration laws in some of countries that Birlasoft operate in, may adversely impact mobility of resources, which is critical for the successful ongoing business. These regulatory changes may disrupt the availability of required resources in some geographies / client locations and organization's ability to cross-deploy and optimally use the resources.

Mitigation Plan:

The Company continues to keep a close eye on changes in immigration laws/processes in consultation with its Immigration Lawyer Partner Firms. Additionally, to address some of these issues, the company has increased the composition of the local workforce in these markets by focusing on hiring local talent and reducing its dependence on resources on work visas. The Company is also engaging with some of its customers to increase off-shoring to facilitate cross-border work teams thereby optimizing on the onsite requirements.

Risk Event 8 # Data Privacy risk related to global privacy regulations

Risk Owner: CISO

Description:

Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe, CCPA in the US and their equivalents in India and elsewhere have severe consequences for non-compliance or breach. Ensuring data privacy through every stage of the information life cycle (collection, storage, processing, retention, and disposal) has become critical. Any violation, non-compliance or inadequacy in privacy policies and procedures can result in potential liabilities, penalties, and reputational impact.

Mitigation Plan:

The company has a well-defined and mature privacy framework with coherent policies, procedures for diverse privacy requirements and for ensuring requisite compliance. Established governance mechanism exists to measure the efficacy of the privacy program through regular metrics and monitoring. The company adopts best practices to support and include privacy-by-design concept in its privacy environment. With stringent data security controls, some of the technical and organization measures are PII Repositories, Privacy Impact Assessment, Incident Management Procedures and Systems, Breach Notification Management, Subject Access Request Management, etc. Additionally, the data privacy controls have been assessed by external experts for compliance in line with requirements of global privacy regulations. The company is continuously improving operational culture within the organization to address dynamic privacy risks with emerging technologies. The organization is ISO/IEC 27701:2019 certified across functions and client delivery projects which exhibit our ongoing commitment to global data protection requirements.

Risk Event 9 # Cyber-security related risks

Risk Owner: CISO

Description:

As companies embrace new technologies such as mobile computing, internet of things, cloud computing, etc., cyber-security is perceived as important risk. With the dynamic threat landscape of highly technical nature, there are possibilities of sophisticated targeted attacks, increasing ransomware threats, malware, data leakage and other security failures. The current COVID-19 situation has hastened the need for adaptive technologies in the cyberspace to enable work-from-home options. With all this, we can surely expect not just an increase in current threats but also completely new ones.

Mitigation Plan:

The company has a mature information security management system with policies, processes, and controls to minimize Cyber-Security risks. The governance and management of security compliance and risk is reviewed periodically; evident in the sustained ISO 27001:2013 certification and external third-party validation of compliance to NIST Cyber Security framework.

While we continue maturing our intrusion prevention systems, data loss prevention and vulnerability management program through offensive COE, encryption, patch management etc., we also focus on adopting modern approaches to holistic identity protections and cloud-native app protections. The SOC, which extends to all our offices globally, continues to track, monitor, and ensure that all the wheels in this cyber framework turn smoothly. We continue to mature the endpoint security controls to provide a high level of resilience to work-from-home devices.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report on the business and operations of the Company, along with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2022.

SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2022, is summarized below:

(₹ in million)

| Particulars | Standalone | | Consolidated | |
|--|------------|-----------|--------------|-----------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Total Revenue including Other Income | 21,235.07 | 16,524.81 | 41,965.52 | 35,747.01 |
| Earnings Before Interest, Depreciation and Tax | 4,760.58 | 3,674.05 | 7,063.25 | 5,482.14 |
| Less: Interest | 107.18 | 102.38 | 130.16 | 130.44 |
| Less: Depreciation | 685.10 | 699.43 | 765.10 | 803.71 |
| Profit before exceptional items and tax | 3,968.30 | 2,872.24 | 6,167.99 | 4,547.99 |
| Exceptional items | - | - | (1.37) | - |
| Profit before tax | 3,968.30 | 2,872.24 | 6,166.62 | 4,547.99 |
| Less: Taxes | 1,007.82 | 936.65 | 1,530.24 | 1,339.68 |
| Profit for the Year | 2,960.48 | 1,935.59 | 4,636.38 | 3,208.31 |
| Other Comprehensive Income/(Loss)-net of tax | (102.34) | 319.77 | 294.61 | 106.99 |
| Total Comprehensive Income for the year | 2,858.14 | 2,255.36 | 4,930.99 | 3,315.30 |

BUSINESS PERFORMANCE

The Financial Year 2021-22 was a year of opportunities and challenges. Your company posted in-line mid-teen revenue growth, saw margins expand, posted a significant jump in profit after tax and won a record Total Contract Value (TCV) of new deals. However, the year also witnessed challenges on account of high attrition, a second and third wave of COVID-19, geopolitical conflict in Europe and high inflation in the developed world, including USA, which is a major revenue contributor to your Company.

As we close the year, COVID-19 appears to be moving to the endemic stage in many parts of the world. However, the two years of disruption have led to a lasting impact on organizations globally and their work culture. Information Technology saw resilience in its functioning due to almost 100% remote working by its employees in the pandemic impacted two years. As people across the globe prepare to transition back to the physical office, the organisation's focus is now on how to effectively plan, communicate, and attract thousands of IT employees to return to offices for work versus work from home/anywhere environment. Returning to the office and consequently, physical proximity will enable better social interactions, productivity, collaboration, coordination, health and well-being. In India, where Birlasoft has its majority of the workforce the return to office in the IT sector has lagged as compared to the other sectors at the back of abnormally high attrition and a healthy demand. While organization will move to the hybrid working model i.e. a mix of working from the office and working from home during the typical work week, getting back the majority of employees in IT sector to the office remains a challenge.

As we enter into a post covid era of exponential transformation and with technology becoming indispensable towards progress, the forthcoming year for the Indian IT Industry promises to be a year of opportunities and growth. Birlasoft with its power of domain and reimagined enterprise and digital technologies is optimistic of leveraging the opportunities and keeping intact its growth momentum.

On a consolidated basis, the revenue from operations for the financial year under review was at ₹ 41,303.50 million as compared to ₹ 35,557.20 million in the previous year, registering a growth of 16.2%. The earnings before interest, tax, depreciation, and amortization was at ₹ 6,401.23 million versus ₹ 5,292.33 million, a growth of 21%. The Net Profit after tax was at ₹ 4,636.38 million versus ₹ 3,208.31 million registering a growth of 44.5%.

On a standalone basis, the revenue from operations was at ₹ 20,493.75 million. The earnings before interest, tax, depreciation, and amortization was at ₹ 4,019.26 million and the Net Profit after tax was at ₹ 2,960.48 million.

For more details, please refer to the Management Discussion & Analysis Report.

BUYBACK OF EQUITY SHARES

The Board of Directors of the Company at its meeting held on May 23, 2022 has, subject to the approval of members of the Company by way of Special Resolution through Postal Ballot and subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved a proposal to buyback up to 7,800,000 fully paid-up equity shares of face value of ₹ 2/- each representing upto 2.79% of the total number

STATUTORY SECTION

of equity shares in the paid-up share capital of the Company, at a price of ₹ 500/- per equity share payable in cash, for an aggregate amount not exceeding ₹ 3,900 million/- (excluding transaction costs, applicable taxes and other incidental and related expenses) through the “tender offer” route as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended.

The aggregate consideration for the aforesaid buyback shall be less than 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2022.

The buyback is generally expected to improve return on equity through distribution of surplus cash and improve earnings per share by reduction in the equity base of the Company, thereby leading to long term increase in shareholders' value.

DIVIDEND

During the year under review, the Board of Directors of the Company (the “Board”) declared an interim dividend of ₹ 1.50/- (75%) per equity share of face value of ₹ 2/- each on the paid-up equity share capital of the Company.

Furthermore, your Directors are pleased to recommend final dividend of ₹ 3/- (150%) per equity share of face value of ₹ 2/- each for the financial year ended March 31, 2022, subject to the approval of members at the ensuing Annual General Meeting (“AGM”) of the Company.

The dividend declared/paid is taxable in the hands of the members and hence, payment of dividend distribution tax is not required to be made by the Company.

The Record Date for determining the entitlement of the members to the final dividend for the financial year 2021-22, if approved by the members at the AGM, is Friday, July 15, 2022.

The Dividend Distribution Policy of the Company, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the SEBI (LODR) Regulations, 2015”), is available on the Company’s website at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

SHARE CAPITAL

During the year under review, the Company allotted 2,209,988 equity shares of ₹ 2/- each, under its Employees Stock Option Plans. The issued, subscribed and paid-up capital of the Company, as on March 31, 2022, is ₹ 558.99 million, consisting of 279,496,082 equity shares of ₹ 2/- each.

TRANSFER TO GENERAL RESERVES

During the year under review, the Company has not transferred any amount to General Reserves.

CREDIT RATING

The Company has been rated as below by CARE Ratings Limited (“Credit Rating Agency”):

| Facilities | Rating |
|--------------------------------------|----------------------------|
| Long-term Bank Facilities | CARE AA; Stable |
| Long-term/Short-term Bank Facilities | CARE AA; Stable / CARE A1+ |
| Short-term Bank Facilities | CARE A1+ |

QUALITY AND INFORMATION SECURITY

Birlasoft is a CMMI Level 5 Organization for the past several years in a row. We continue to improve our quality focus through internal initiatives and by getting assessed against international standards. During the current Voice of Customer (“VOC”) cycle, our customers have appreciated the value delivered by Project teams and have rated them on an average at 4.6 in a scale of 1-5, 5 being the highest. This further strengthens our resolve to make societies more productive by helping customers run businesses more efficiently.

In line with our focus to be assessed against international standards, Birlasoft is appraised for CMMI-DEV® (Development) & CMMI-SVC® (Services) V2.0 at Maturity Level 5. This milestone is testimony to our commitment to continuously improve our quality & operational processes, while at the same time, strengthening our delivery capabilities to meet customer expectations. Our quality management system is certified for ISO 9001:2015 and ISO 20000:2018 Standards for IT Services and this reflects the Company’s belief in delivering the right quality.

Birlasoft continues to maintain a mature Information Security Management System & Privacy Information Management System. Policies, Processes and Controls have been defined and implemented to minimize and manage the cyber security risks. A robust governance and management of security compliance and risk are ensured by periodic reviews.

Birlasoft continues to leverage leading industry standards and controls to secure its infrastructure environment and has implemented world-class tools to prevent, detect, correct & recover from any security threats identified. Birlasoft has successfully retained its ISO 27001:2013 Information Security Management System and ISO 27701:2019 Privacy Information Management System certification. The NIST Cyber Security Framework has also been leveraged and is validated by third party vendors regularly.

PRODUCTIVITY

Your Company is committed to productivity improvements to create a future abundant with a wealth of knowledge. Multiple initiatives - Knowledge Management, Productivity Forum, UREKA, MyTime and VINCI - enable the Company to harness latent knowledge in the organization and mobilize it.

bAutomate as an initiative has been introduced to further accentuate the engineering productivity by using tools and creating highly disciplined Software Engineering Culture.

Delivery Process Automation has been introduced to improve the project or program execution efficiency.

A brand-new knowledge management repository has grown to a level where the Company can showcase efficiencies in the deliverables translating into real value for customers.

Re-usability of case-studies as a new key factor will be benefitting the teams within Birlasoft. MyTime is a crowdsourcing platform being utilized by technical enthusiasts to develop re-usable tools that enhance productivity.

INSTITUTIONAL SHAREHOLDING

As on March 31, 2022, the total Institutional Shareholding in the Company was 38.07% of the total paid-up equity share capital.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2022, the Company has 14 subsidiaries, including step-down subsidiaries. The Company has two material subsidiaries, namely, Birlasoft Solutions Inc. & Birlasoft Inc. Further, during the year, Birlasoft GmbH, ceased to be a step-down subsidiary of the Company w.e.f. July 26, 2021 on account of its voluntary liquidation.

As per Section 129(3) of the Companies Act, 2013 (hereinafter referred to as “the Act”), the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form a part of this Annual Report. In terms of Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiaries in Form AOC-1, is annexed to this Report as “Annexure 1”.

In accordance with Section 136(1) of the Act, this Annual Report of the Company, containing the standalone and the consolidated financial statements and all other documents required to be attached thereto has been placed on the website of the Company, www.birlasoft.com. Further, highlights of performance of subsidiaries and their contribution to the overall performance of the Company has also been placed on the Company’s website.

During the financial year 2021-22, the Company had no Associate or Joint Venture company.

BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

The Company’s Board has an optimal combination of executive, non-executive and independent directors (including three women directors) who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of all stakeholders. The Board is supported by five Committees of Directors viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee & Risk Management Committee.

The Board meets once every quarter. Additional meetings of the Board/Committees are convened as may be necessary for the proper management of the business operations of the Company. A separate meeting of Independent Directors is also held at least once in a year to review the performance of non-independent Directors, the Board as a whole and the Chairman.

During the year, five meetings of the Board of Directors were held on May 21, 2021, July 28, 2021, October 26, 2021, January 27, 2022, and March 30, 2022. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Act and SEBI (LODR) Regulations, 2015.

In accordance with Section 152 of the Act, Dharmender Kapoor (DK) (DIN: 08443715), Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends the resolution for re-appointment of DK for the approval of the members at the ensuing AGM.

Further, the members of the Company had at the AGM held on August 7, 2019, approved the appointment of DK as the Chief Executive Officer (“CEO”) & Managing Director of the Company for a period of three years effective June 1, 2019 upto May 31, 2022, along with other terms & conditions of appointment, including payment of remuneration.

Based on the performance evaluation of DK as the CEO & Managing Director of the Company, considering his knowledge of various aspects relating the Company’s affairs, long business experience and his contribution as a leader in the growth of the Company, the management of the Company, considers that the continued association of DK would be in the best interest of the Company.

Accordingly, the Board has proposed the re-appointment of DK as CEO & Managing Director, liable to retire by rotation and to hold office for a further period of three years with effect from June 1, 2022. This re-appointment is subject to the approval of members at the ensuing AGM & is in accordance with the provisions of Sections 196, 197 and 203 and Schedule V of the Act. The remuneration and the brief terms & conditions of his re-appointment are mentioned in the AGM notice.

A brief profile and other details relating to the Director seeking re-appointment is provided in this Annual Report.

A detailed update on the Board and its Committees’ composition, number of meetings held during the financial year 2021-22 and attendance of the Directors at these meetings is provided in the Corporate Governance Report, which forms a part of this Annual Report.

None of the Directors are disqualified under Section 164(2) of the Act.

INDEPENDENCE OF THE BOARD

The Board comprises of optimal number of Independent Directors. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are independent in terms of Regulation 16(1)(b) and Regulation 25 of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act:

1. Ashok Kumar Barat (DIN: 00492930);
2. Anant Talaulicar (DIN: 00031051);
3. Alka Bharucha (DIN: 00114067); and
4. Nandita Gurjar (DIN: 01318683).

All the abovenamed Directors have registered themselves with the Independent Directors Databank. They are exempted from the requirements of online proficiency self-assessment test conducted by ‘Indian Institute of Corporate Affairs’.

The Board is of the opinion that the Independent Directors of the Company possess the requisite qualifications, experience and expertise and they hold the highest standards of integrity.

KEY MANAGERIAL PERSONNEL

The following persons have been designated as the Key Managerial Personnel (“KMP”) of the Company pursuant to Sections 2(51) and 203 of the Act, read with the Rules framed thereunder:

| Sr. No. | Name | DIN / Membership Number | Designation |
|---------|--------------------------|-------------------------|---|
| 1 | Dharmander Kapoor | 08443715 | Chief Executive Officer & Managing Director |
| 2 | Chandrasekar Thyagarajan | 200-29108 | Chief Financial Officer |
| 3 | Sneha Padve | ACS 9678 | Company Secretary |

There has been no change in the KMP of the Company during the year.

AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 101248W/W-100022), were re-appointed as the Statutory Auditors of the Company, in the AGM held on August 7, 2019, for a period of four years till the conclusion of the AGM to be held in the year 2023.

The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications, reservations or adverse remarks in the Report of the Statutory Auditors for the financial year ended March 31, 2022.

During the year under review, the Auditor has not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. K. R. Chandratre, Practising Company Secretary (FCS No.: 1370 and CP No.: 5144), was appointed as the Secretarial Auditor to conduct audit for the year under review. The Report of the Secretarial Auditor is annexed as “Annexure 2”. It does not contain any qualification, reservation or adverse remark.

During the year under review, the Secretarial Auditor has not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

Internal Auditor

The Internal Auditor and the Head of Internal Audit function within the Company reports functionally to the Audit Committee of Board, which reviews and approves risk based annual internal audit plan and the performance of internal audit function.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, Corporate Governance Report for the year ended March 31, 2022, with a detailed compliance report thereon forms an integral part

of this Annual Report and is set out as separate section herein. It also includes a certificate from the Statutory Auditors in respect of compliance with the provisions of the SEBI (LODR) Regulations, 2015 related to Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34(2) of the SEBI (LODR) Regulations, 2015, a detailed review of the operations, performance and outlook of the Company and its business is given in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

AWARDS & RECOGNITION

In recognition of its constant quest for excellence, your Company has been honoured and recognised at various forums. The prominent ones are listed below:

- Birlasoft is now Great Place to Work® certified
- Birlasoft named a finalist for the '2021 Microsoft Partner of the Year'
- Birlasoft honoured at the Mint-TechCircle Business Transformation Symposium Awards 2021
- Birlasoft's marquee community development and crop residue management initiative, Project Shodhan acknowledged with the Special Jury Award at Edition #8 of the India CSR Summit

PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSONNEL

The ratio of remuneration of each Director to the median employee's remuneration and other details prescribed in Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as “Annexure 3”.

In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said Rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Act, this Annual Report is being sent to the members of the Company excluding

the aforesaid information. The said information is available for inspection and any member interested in obtaining such information may write to the Company Secretary for the same.

EMPLOYEES STOCK OPTION PLANS (ESOPs)

The information pursuant to the provisions of the Act and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2011, relating to ESOPs of the Company, is annexed to this Report as “Annexure 4” and has been uploaded on the website of the Company and can be accessed through web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

Certificate from Dr. K. R. Chandratre, Practising Company Secretary (FCS No.: 1370 and CP No.: 5144), the Secretarial Auditor of the Company, confirming that the schemes have been implemented in accordance with the said SEBI Regulations, would be placed at the ensuing AGM of the Company for inspection by the members.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention and prohibition of sexual harassment at workplace and has also put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. As part of the orientation programs for all new joinees, the Company mandates that they complete an e-learning module on the same as well.

During the year under review, one complaint of sexual harassment was received by the Company. Details as per the provisions of Sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are as under:

| | |
|--|--|
| Number of cases pending at the beginning of the financial year | Nil |
| Number of complaints filed during the financial year | 1 |
| Number of cases pending at the end of the financial year | Nil |
| Details of workshops or awareness programs against sexual harassment carried out | The Company regularly conducts necessary awareness programs for its employees and all employees are provided detailed education during the induction |
| Nature of action taken by the employer or district officer | A stern action was decided to be taken in this matter. However, before it could be implemented, the employee resigned. |

DEPOSITS

During the financial year under review, the Company did not accept deposits covered under Chapter V of the Act.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to the provisions of Section 134(3)(e) of the Act, the policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is annexed to this Report as “Annexure 5”. This Nomination and Remuneration Policy as approved by the Board is available on the Company's website and can be accessed through the web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The details of loans, guarantees and investments, if any, which are covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company has adequate procedures for identification and monitoring of related party transactions. All the transactions entered into with the related parties during the financial year were on arm's length basis and were in the ordinary course of business. All related party transactions were placed before the Audit Committee and the Board for approval, wherever required. Prior omnibus approval of the Audit Committee is obtained for the transactions that are repetitive in nature. These transactions are reviewed by the Audit Committee on a quarterly basis.

For details on related party transactions, members may refer to the notes to the financial statements. The Policy on Related Party Transactions as approved by the Board is available on the Company's website and can be accessed through the web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

Pursuant to the provisions of Section 134(3)(h) of the Act, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act and prescribed in Form AOC-2 of Companies (Accounts) Rules, 2014, is annexed to this Report as “Annexure 6”.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and till the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

RISK MANAGEMENT POLICY

The Company has constituted a Risk Management Committee (“RMC”) of the Board to review the risk management plan/process of the Company. The RMC assists the Board in its oversight of the Company's management of key risks, including

strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall Business Risk Management Framework.

The Company has a Risk Management Policy which has been approved by the Board. The Risk Management Policy acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization. The Board monitors and reviews periodically the implementation of various aspects of the Risk Management Policy through the RMC.

A write-up on Enterprise Risk Management forms part of this Annual Report.

There are no risks identified by the Board which may threaten the existence of the Company.

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has put in place adequate internal financial control procedures commensurate with its size, complexity and nature of business. The Company has identified and documented all key financials controls, which impact the financial statements as part of its Standard Operating Procedures. The financial controls are tested for operating effectiveness through ongoing monitoring and review process by the management and also independently by the Internal Auditor. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals.

Based on the review, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review.

AUDIT COMMITTEE

The Board has a duly constituted Audit Committee in line with the provisions of the Act and the SEBI (LODR) Regulations, 2015. The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee met four times during the year. Detailed information pertaining to the Audit Committee has been provided in the Corporate Governance Report.

COMMITTEE RECOMMENDATIONS

During the year, recommendations of all the Committees were accepted by the Board. The composition of the Committees is provided in the Corporate Governance Report, which forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The details of the initiatives taken by the Company during the year on CSR in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 & the amendments thereto, along with information about CSR Committee of the Board, has been annexed to this Report as “Annexure 7”.

The CSR Policy of the Company is placed on the website of the Company and can be accessed through the web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the financial year 2021-22. The performance evaluation was done using individual questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of Directors, preparation and contribution at Board meetings, leadership, etc. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board, excluding the Director being evaluated.

The performance evaluation of Non-Independent Directors, the Chairman and the Board was done by the Independent Directors.

ESTABLISHMENT OF VIGIL MECHANISM

The Company has laid down the Whistle Blower Policy covering vigil mechanism as per Regulation 22 of the SEBI (LODR) Regulations, 2015, for the Directors and employees to report their genuine concerns. The details of the same are explained in the Corporate Governance Report. The Whistle Blower Policy may be accessed on the Company's website at the web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

ANNUAL RETURN

Pursuant to Sections 134(3)(a) and 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in e-form MGT-7 may be accessed on the Company's website at the web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as “Annexure 8” to this Report.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors, pursuant to Section 134(3)(c) and Section 134(5) of the Act, state that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) they have selected such accounting policies and applied them consistently and made judgments 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 on March 31,

2022 and of the profit of the Company for the year ended March 31, 2022;

- iii) they 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) they have prepared the annual financial statements on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CEO & CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO certificate, for the year under review was placed before the Board of Directors of the Company at its meeting held on May 23, 2022.

A copy of such certificate forms a part of the Corporate Governance Report.

COST RECORDS

The Company is not required to maintain cost records under the provisions of Section 148(1) of the Act.

SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Company complies with all applicable mandatory Secretarial Standards as issued by the Institute of Company Secretaries of India.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The Annual Listing Fees for the financial year 2022-23 have been paid to these exchanges.

DIRECTORS & OFFICERS INSURANCE POLICY

The Company has in place an insurance policy for its Directors & Officers with a quantum and coverage as approved by the Board. The policy complies with the requirement of Regulation 25(10) of SEBI (LODR) Regulations, 2015.

New Jersey
May 23, 2022

OTHER STATUTORY DISCLOSURES

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of sweat equity shares.
3. Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.
4. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
5. Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.
6. Receipt of any remuneration or commission by the CEO & Managing Director of the Company from any of its subsidiary company.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank all the members of the Company for their continued support.

Your Directors thank all the customers, vendors, investors and bankers for their continued support during the year. Your Directors place on record their appreciation to the contribution made by the employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

Your Directors further thank the governments of various countries where the Company has its operations. Your Directors also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Indirect Taxes Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, the Software Development Centres (SDCs)/ Special Economic Zones (SEZs) – Pune, Noida, Mumbai, Navi Mumbai, Chennai, Bengaluru, Hyderabad and all other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Amita Birla
Chairman
DIN: 00837718

FORM NO. AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of Section 129, read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in million except exchange rate)

| Sr. No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | |
|---|---------------------------------|--------------------------|--------------------------------|--|--|---|--|--|--|--------------------------|--|---|---|---------------------|---|----|
| Name of the Subsidiary | Birlasoft Solutions France Inc. | Birlasoft Solutions Inc. | Birlasoft Computer Corporation | Birlasoft Consulting Inc. (Refer note 'a' below) | Birlasoft Solutions MEFZE (Refer note 'b' below) | Birlasoft Solutions GmbH (Refer note 'c' below) | Birlasoft Solutions Ltda. (Refer note 'd' below) | Birlasoft Technologies Canada Corporation (Refer note 'e' below) | Birlasoft Solutions Limited (Refer note 'f' below) | Birlasoft Solutions Inc. | Enablepath, LLC (Refer note 'f' below) | Birlasoft (UK) Limited (Refer note 'f' and 'i' below) | Birlasoft GmbH (Refer note 'g' and 'k' below) | Birlasoft Sdn. Bhd. | Birlasoft Solutions Mexico, S.A. DE C.V. (Refer note 'h' below) | NA |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Share capital | 83.89 | 75.79 | 75.79 | 75.79 | 20.63 | 83.89 | 15.94 | 60.71 | 99.55 | 75.79 | 75.79 | 99.55 | 83.89 | 18.02 | 3.79 | |
| Reserves & surplus | 8.39 | 4,222.11 | 8.34 | 386.91 | 24.46 | 2.10 | 64.11 | 0.00 | 49.78 | 37.89 | 611.04 | 14.93 | - | 0.09 | 0.19 | |
| Total assets | 443.16 | 1,763.93 | 1,040.85 | (207.29) | 156.55 | (26.59) | 64.19 | 1,124.87 | 191.38 | 4,437.00 | (1,063.02) | 149.05 | - | 26.81 | (6.44) | |
| Total liabilities | 1,143.67 | 9,618.22 | 1,774.49 | 938.29 | 189.82 | 286.30 | 2074.5 | 691.66 | 1,664.34 | 6,813.58 | (451.98) | 535.98 | - | 39.18 | 47.04 | |
| Investments (except in case of investment in subsidiaries) | 692.12 | 3,632.17 | 725.30 | 758.67 | 8.81 | 310.78 | 791.4 | (433.21) | 1,423.19 | 2,338.68 | - | 372.00 | - | 12.28 | 53.29 | |
| Turnover | - | 349.83 | - | - | - | - | - | 48.57 | - | 719.98 | - | - | - | - | - | |
| Profit/(Loss) before taxation | 895.12 | 13,812.91 | 3,102.14 | 1,968.85 | 115.00 | 538.77 | 405.57 | 1,360.24 | 1,443.11 | 16,574.59 | - | 970.30 | - | 26.14 | 75.09 | |
| Profit/(Loss) after taxation | (65.34) | 412.73 | 121.08 | 1144.7 | (10.55) | 23.85 | 64.98 | 158.31 | 62.57 | 1,353.18 | (27.85) | (31.33) | 0.14 | 6.77 | (9.22) | |

ANNUAL REPORT 2021-22

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

| Sr. No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | |
|------------------------------|---------------------------------|--------------------------|--------------------------------|--|--|---|--|--|--|--------------------------|--|---|---|---------------------|---|----|
| Name of the Subsidiary | Birlasoft Solutions France Inc. | Birlasoft Solutions Inc. | Birlasoft Computer Corporation | Birlasoft Consulting Inc. (Refer note 'a' below) | Birlasoft Solutions MEFZE (Refer note 'b' below) | Birlasoft Solutions GmbH (Refer note 'c' below) | Birlasoft Solutions Ltda. (Refer note 'd' below) | Birlasoft Technologies Canada Corporation (Refer note 'e' below) | Birlasoft Solutions Limited (Refer note 'f' below) | Birlasoft Solutions Inc. | Enablepath, LLC (Refer note 'f' below) | Birlasoft (UK) Limited (Refer note 'f' and 'i' below) | Birlasoft GmbH (Refer note 'g' and 'k' below) | Birlasoft Sdn. Bhd. | Birlasoft Solutions Mexico, S.A. DE C.V. (Refer note 'h' below) | NA |
| Provision for taxation | 4.43 | (50.33) | (20.85) | (12.03) | (1.87) | (7.82) | (13.88) | (47.00) | 7.84 | (377.57) | - | (1.09) | - | (1.72) | (0.42) | |
| Profit/(Loss) after taxation | (60.90) | 362.40 | 100.24 | 1024.3 | (12.41) | 16.03 | 511.0 | 111.20 | 70.40 | 975.60 | (27.85) | (32.41) | 0.14 | 5.05 | (9.64) | |
| Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |

* Due to rounding off in millions, it is appearing as zero.

Notes:

- 100% owned by Birlasoft Solutions Inc.
- Includes Australia Branch and Korea Branch.
- 100% owned by Birlasoft Solutions Limited.
- 99.99% owned by Birlasoft Solutions Inc. and 0.01% owned by Birlasoft Limited.
- 100% owned by Birlasoft Computer Corporation.
- 100% owned by Birlasoft Inc.
- 100% owned by Birlasoft (UK) Limited.
- 98% owned by Birlasoft Solutions Inc. and 2% owned by Birlasoft Consulting, Inc.
- Includes Netherlands Branch.
- Includes Spain Branch and Slovakia Branch.
- Birlasoft GmbH is liquidated effective July 26, 2021.
- Part "B" of this statement is not applicable, as the Company neither has any associates nor joint ventures.

For and on behalf of the Board of Directors

Amita Birla
Chairman
DIN: 00837718
New Jersey

Dharmander Kapoor
CEO & Managing Director
DIN: 08443715
New Jersey

Sneha Padve
Company Secretary
Noida

Chandrasekar Thyagarajan
Chief Financial Officer
New Jersey

May 23, 2022

birlasoft

SECRETARIAL AUDIT REPORT

for the financial year ended 31 March, 2022

[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,
Birlasoft Limited,
35 & 36, Rajiv Gandhi Infotech Park,
Phase - I, MIDC, Hinjawadi, Pune – 411057.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Birlasoft Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2022 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2022, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**.
- vi. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - The Information Technology Act, 2000 and the rules made thereunder.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. There were no changes in the composition of board of directors of the Company during Audit Period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

UDIN: F001370D000371575
Peer Review Certificate No.: 1206/2021

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at board meetings and committee meetings were carried out unanimously as recorded in the minutes of the meetings of the board of directors or committees of the board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

Place: Pune
Date: 23 May, 2022

Annexure to the Secretarial Audit Report

To,
The Members,
Birlasoft Limited,
35 & 36, Rajiv Gandhi Infotech Park,
Phase – I, MIDC, Hinjawadi,
Pune – 411057.

My report of even date is to be read along with this letter:

- 1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I 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-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
- 6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 23 May, 2022

UDIN: F001370D000371575
Peer Review Certificate No.: 1206/2021

Annexure 3

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS IN TERMS OF SECTION 197(12) OF THE ACT, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Sr. No. | Particulars | Disclosure | |
|---------|---|---|--------|
| i. | The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year. | Amita Birla | 4.17 |
| | | Chandrakant Birla | 1.67 |
| | | Ashok Kumar Barat | 2.50 |
| | | Anant Talaulicar | 2.08 |
| | | Alka Bharucha | 1.67 |
| | | Nandita Gurjar | 1.67 |
| | | Dharmander Kapoor* | 167.58 |
| ii. | The percentage increase in remuneration of each Director, CFO, CS in the financial year. | Amita Birla | 0.00 |
| | | Chandrakant Birla | 0.00 |
| | | Ashok Kumar Barat | 0.00 |
| | | Anant Talaulicar | 0.00 |
| | | Alka Bharucha | 0.00 |
| | | Nandita Gurjar | 0.00 |
| | | Dharmander Kapoor* | 268.63 |
| | | Sneha Padve (CS)* | 128.30 |
| | Chandrasekar Thyagarajan# | N.A. | |
| | #Not applicable as figures for 2020-21 are for part of the year. | | |
| iii. | The increase in the median remuneration of employees in the financial year. | 22.50% | |
| iv. | The number of permanent employees on the rolls of the Company. | 10,122 employees as on March 31, 2022. | |
| 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. | Average percentage increase in salaries of employees other than Managerial Personnel is 17.42%. | |
| | | Average increase in the remuneration of Directors and other Key Managerial Personnel is 201.14%*. | |
| vi. | It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company. | | |

*NOTE: The increase in the figures and percentages is much higher as compared to FY 2020-21 primarily on account of increase in perquisite value of stock incentives exercised during the year. The increase in perquisite value of stock incentives exercised during the year also includes the impact of increase in share price.

For and on behalf of the Board of Directors

New Jersey
May 23, 2022

Amita Birla
Chairman
DIN: 00837718

EMPLOYEE STOCK OPTION PLANS

Disclosure pursuant to Section 62 of the Companies Act, 2013, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as on March 31, 2022

A. Summary of Employee Stock Option Plans ("ESOPs")/Restricted Stock Units ("RSUs")

The position of the existing schemes are summarized as under:

| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme |
|-----------|--|---|---|---|---|---|
| I. | Details of the ESOPs/RSUs: | | | | | |
| 1 | Date of Shareholder's Approval | August 28, 2006 | August 19, 2015 | August 29, 2018 | October 3, 2019 | October 3, 2019 |
| 2 | Total Number of Options/RSUs approved* | 13,683,562 | 2,500,000 | 4,769,267 | 1,648,300 | 10,714,200 |
| 3 | Vesting Requirements | The Options shall vest over a period of 1 to 3 years from the date of grant, as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40% | The Options shall vest over a period of 1 to 3 years from the date of grant, as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40% | The Options shall vest as follows: March 15, 2019: 30% March 15, 2020: 30% March 15, 2021: 40% | The RSUs shall vest as follows: End of year 2 : 50% End of year 3: 50% | The Options shall vest as follows: End of year 2 : 50% End of year 3: 50% |
| 4 | The Pricing Formula/Exercise Price | Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options. | Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options. | ₹ 3:10 per option. | The Exercise Price shall be equal to face value of shares i.e. ₹ 2/- per RSU. | Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options. |
| 5 | Maximum term of Options/RSUs granted (years) | a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 5 years from the date of vesting of options granted. | a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 5 years from the date of vesting of options granted. | a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 4 years from the date of vesting of options granted. | Maximum period of 4 years from the date of vesting of RSUs. | Maximum period of 4 years from the date of vesting of Options granted. |
| 6 | Method of Settlement | All Options/RSUs granted would be settled in Equity Shares in the ratio of 1:1 | All Options/RSUs granted would be settled in Equity Shares in the ratio of 1:1 | | | |
| 7 | Source of shares | These Schemes use both new issue of shares by the Company ("Primary Shares") as well as secondary acquisition of shares ("Secondary Shares") by the Trust as source of shares for implementation. | | Primary allotment to the Option/RSU holders. | | |
| 8 | Variation in terms of Options/RSU | Nil | | | | |

*The total number of Options/RSUs approved under each Scheme has been adjusted for subsequent share splits and bonus issues for better understanding.

| Sr. No. | Particulars | ESOP 2006 Scheme | | ESOP 2015 Scheme | | ESOP 2019 Scheme | | BSL-RSU 2019 Scheme | | BSL-SIP 2019 Scheme | |
|------------|---|------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|
| | | No. of Options | Weighted Average Exercise Price | No. of Options | Weighted Average Exercise Price | No. of Options | Weighted Average Exercise Price | No. of RSUs | Weighted Average Exercise Price | No. of Options | Weighted Average Exercise Price |
| II. | Options/RSUs movement during the year ended March 31, 2022: | | | | | | | | | | |
| 1 | Options/RSUs outstanding at the beginning of the year | 460,400 | 58.53 | 385,900 | 59.95 | 990,233 | 3.10 | 1,644,863 | 2.00 | 6,648,575 | 79.66 |
| 2 | Options granted during the year | - | - | - | - | - | - | - | - | 2,353,500 | 423.56 |
| 3 | Options forfeited/surrendered during the year | 22,850 | 58.74 | 30,000 | 58.74 | - | - | - | - | 1,463,500 | 97.12 |
| 4 | Options lapsed during the year | 15,450 | 58.74 | 10,950 | 58.74 | - | - | 616,824 | 2.00 | 2,424,466 | 62.42 |
| 5 | Options/RSUs vested during the year | - | - | - | - | - | - | - | - | - | - |
| 6 | Options/RSUs exercised during the year | 231,300 | 58.33 | 183,750 | 58.74 | 775,558 | 3.10 | 205,608 | 2.00 | 1,228,822 | 62.34 |
| 7 | Number of shares arising as a result of exercise of options | 231,300 | 58.33 | 183,750 | 58.74 | 775,558 | 3.10 | 205,608 | 2.00 | 1,228,822 | 62.34 |
| 8 | Money realized by exercise of options (₹), if scheme is implemented directly by the company | - | - | - | - | 2,404,230 | - | 411,216 | - | 76,604,023 | - |
| 9 | Loan Repaid by the Trust during the year from exercise price received | | | | | | | | | | |
| 10 | Options/RSUs outstanding at the end of the year | 190,800 | 58.74 | 161,200 | 61.64 | 214,675 | 3.10 | 1,439,255 | 2.00 | 6,309,753 | 207.26 |
| 11 | Options/RSUs exercisable at the end of the year | 190,800 | 58.74 | 161,200 | 61.64 | 214,675 | 3.10 | 411,216 | 2.00 | 1,195,644 | 207.26 |

Not Applicable

| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme | |
|---------|---|--|--------------------|------------------------|---------------------|------------------------|--------------------|
| III. | Diluted Earnings Per Share pursuant to issue of shares on exercise of Options/RSUs calculated in accordance with Accounting Standard (AS) 20 | | | 16.43 | | | |
| | Method of Accounting | Fair Value Method in accordance with Ind-AS 102: share based payment | | | | | |
| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme | |
| IV. | Weighted Average Fair Value of Options/RSUs granted during the year ended March 31, 2022 whose: | | | | | | |
| (a) | Exercise price equals market price | - | - | - | - | 196.55 | |
| (b) | Exercise price is greater than market price | - | - | - | - | - | |
| (c) | Exercise price is less than market price | - | - | - | - | - | |
| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme | |
| V. | The weighted average market price of Options/RSUs exercised during the year ended March 31, 2022 | 435.78 | 436.46 | 349.55 | 521.58 | 457.52 | |
| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme | |
| VI. | Employee-wise details of Options/RSUs granted during the financial year 2021-22 to: | | | | | | |
| (i) | Senior Managerial Personnel: None | | | | | | |
| (ii) | Employees who were granted, during any one year, Options/RSUs amounting to 5% or more of the Options/RSUs granted during the year: | | | | | | |
| Sr. No. | Name of the Employee | No. of Options Granted | Exercise Price (₹) | No. of Options Granted | Exercise Price (₹) | No. of Options Granted | Exercise Price (₹) |
| 1 | Manoj Singhal - Executive Vice President | - | - | - | - | 130,000 | 414.65 |
| (iii) | Identified employees who were granted Option/RSUs, 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: None | | | | | | |
| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme | |
| VII. | Method and assumptions used to estimate the fair value of Options/RSUs granted during the year ended March 31, 2022: | | | | | | |
| | The fair value has been calculated using the Black Scholes Option Pricing Model | | | | | | |
| Sr. No. | Variables | Weighted Average | Weighted Average | Weighted Average | Weighted Average | Weighted Average | |
| 1 | Risk Free Interest Rate | - | - | - | - | 5.45% | |
| 2 | Expected Life (in years) | - | - | - | - | 4.16 | |
| 3 | Expected Volatility | - | - | - | - | 54.23% | |

| Sr. No. | Particulars | ESOP 2006 Scheme | ESOP 2015 Scheme | ESOP 2019 Scheme | BSL-RSU 2019 Scheme | BSL-SIP 2019 Scheme |
|---------|---|------------------|------------------|------------------|---------------------|---------------------|
| 4 | Dividend Yield | - | - | - | - | 0.64% |
| 5 | Exercise Price (₹) | - | - | - | - | 423.56 |
| 6 | Price of the underlying share in market at the time of the option grant (₹) | - | - | - | - | 423.56 |

Assumptions:

The assumptions used in the model are as follows:

- Stock Price: Closing price of the equity shares of the Company on the National Stock Exchange of India Limited on the trading day, prior to the date of grant has been considered.
- Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.
- Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options/RSUs based on the zero-coupon yield curve for Government Securities.
- Exercise Price: Exercise Price of each specific grant has been considered.
- Time to Maturity: Time to Maturity/Expected Life of Options/RSUs is the period for which the Company expects the Options/RSUs to be live.
- Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

VIII. Effect of share-based payment transactions on the entity's Profit or Loss for the period:

| Sr. No. | Particulars | March 31, 2022 |
|---------|--|----------------|
| 1 | Employee Option Plan Expense | 132.06 |
| 2 | Total Liability at the end of the period | 225.15 |

(₹ in million)

IX. Details related to Trust:

Consequent upon the merger of Birtasoft (India) Limited with the Company, the KPIT Technologies Employees Welfare Trust has been transferred to KPIT Engineering Limited (renamed as KPIT Technologies Limited). Hence, the details related to the Trust are not applicable to the Company.

For and on behalf of the Board of Directors

New Jersey
May 23, 2022

Amita Birla
Chairman
DIN: 00837718

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that the members remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this Policy on nomination and remuneration of Directors (including non-executive directors) of the Board of Directors, the Key Managerial Personnel, Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel and evaluation of performance of Directors.

2. DEFINITIONS

- a) In this Policy unless the context otherwise requires:
- “Act” means the Companies Act, 2013 and rules issued thereunder.
 - “Board of Directors” or “Board”, in relation to the Company, means the collective body of the directors of the Company.
 - “Committee” means Nomination and Remuneration Committee of the Company, as constituted or reconstituted by the Board.
 - “Company” means Birlasoft Limited.
 - “Director” means a Director appointed to the Board of the Company.
 - “Independent Director” means a director referred to in Section 149(6) of the Companies Act, 2013, read with Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.
 - “Key Managerial Personnel” (KMP) shall have the meaning ascribed to it in the Act and the Rules made thereunder.
 - “Non-Executive Directors” includes Independent Directors.
 - “Policy” means this Nomination and Remuneration Policy.

- “SEBI (LODR) Regulations, 2015” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
 - “Senior Management Personnel” shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board of Directors), and shall specifically include Company Secretary and Chief Financial Officer.
- b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI (LODR) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

3. OBJECTIVE OF THE POLICY

- a) The objective of this Policy is to outline a framework to ensure that the Company’s remuneration levels are aligned with industry practices and are sufficient to attract and retain competent directors on the Board, KMP and the Senior Management Personnel of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
- guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
 - specifying the manner for effective evaluation of the performance of the members of the Board individually, Board as a whole and Committees thereof, and review its implementation and compliance.
 - recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management.
- b) While determining the remuneration for the Directors (including Non-Executive Directors) and KMP and the Senior Management Personnel, regard should be made to prevailing market conditions, business performance and practices in comparable companies, as also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the level of remuneration remain appropriate.

- While designing the remuneration package it should be ensured that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
 - there is a balance between fixed and incentive pay, reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
- Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.
- The Committee may consult with the Chairman of the Board as it deems appropriate.
- The Committee shall observe the set of principles and objectives as envisaged under the Act (including Section 178 thereof), rules framed there under and the SEBI (LODR) Regulations, 2015, including, inter-alia, principles pertaining to determining qualifications, positive attributes, integrity and independence.

4. APPLICABILITY

This policy is applicable to:

- Directors, including Non-Executive Directors;
- Key Managerial Personnel; and
- Senior Management Personnel.

5. COMMITTEE CONSTITUTION AND DETAILS

The Committee shall comprise of at least three Directors, all of whom shall be non-executive directors and at least half shall be Independent Directors, the Chairperson being an Independent Director, or of such number of Directors as would be required under applicable laws. The Chairperson of the Company (whether or not a non-executive director) may be a member of the Committee but shall not chair such Committee. The Chairperson of this Committee or in case of his absence, any other person authorised by him shall attend the general meetings of the Company. The meeting of the Committee shall be held at such intervals as may be required and it may meet, convene and conduct meetings through video conferencing or audio-visual means, as may be provided by the Company. The Company Secretary of the Company shall act as the Secretary of the Committee. 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. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater. Matters arising for determination at

Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote. The Committee shall, as per the provisions of the Act, maintain written minutes of its meetings.

6. RESPONSIBILITY OF THE COMMITTEE

The Committee is responsible for:

- criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
- advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMP and the Senior Management Personnel;
- monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMP and the Senior Management Personnel;
- monitoring and evaluating the application of this Policy;
- devising a policy on diversity of board of directors;
- monitoring and evaluating current remuneration structures and levels in the Company; and
- any other responsibility as determined by the Board.

7. POWERS OF THE COMMITTEE

The Committee shall have inter-alia following powers:

- Conduct studies or authorise studies of issues within the scope of the Committee and will have access to necessary books, records, facilities and personnel of the Company;
- Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;
- Delegate its powers or form sub-committees to perform any of its functions or role under this Policy, subject to approval of the Board.

8. APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

- The Committee shall identify broad matrix of skill/expertise and competence that the members of the Board of the Company, KMP and Senior Management Personnel shall possess. While identifying and recommending the appointment of individual, the Committee shall decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

- b) While recommending the appointment of any Director, the Committee shall make sure that diversity guidelines are being adhered to.
- c) Appointment of Directors and KMP shall also be governed by the provisions of the Act and compliance of the SEBI (LODR) Regulations, 2015.
- d) The appointment of Directors and KMP shall be done by the Board on the recommendation of Committee.
- e) The appointment of Senior Management Personnel shall be made in accordance with the Human Resource guidelines of the Company, subject to necessary recommendation(s) from the Committee.

9. REMUNERATION

a) Remuneration to Directors and KMP:

- i) The remuneration, compensation, commission, etc. to the Directors and KMP 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 members of the Company and Central Government, wherever required.
- ii) The remuneration and commission to be paid to the Directors shall be as per the statutory provisions of the Act and the rules made there under and/or the SEBI (LODR) Regulations, 2015, for the time being in force.
- iii) Increments to the existing remuneration/compensation structure of the Directors and KMP shall be recommended by the Committee to the Board which should be within the slabs approved by the members in the case of the Directors.
- iv) Where any insurance is taken by the Company on behalf of its Directors and KMP 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.
- v) Remuneration to the Executive Directors and KMP:

Fixed pay:

- Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board, on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made thereunder and/or the SEBI (LODR) Regulations, 2015, for the time being in force.
- The remuneration approved shall clearly provide break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees, etc.

Variable components:

- The Executive Director and KMP may be eligible for performance linked variable pay which will be based on the individual and the Company's performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration. The details of such variable component shall be clearly defined while obtaining the approval of the Board and members. Further, the manner in which performance shall be appraised shall also be objectively defined by the Committee. For the Executive Directors, performance linked remuneration can be in form of commission or fixed amount.

Subsequent Change/Increments:

- Any subsequent change/increments in the remuneration of the Executive Directors shall be approved by the Board in accordance with the recommendation of the Committee, subject to the statutory provisions within the limits approved by the members.
- Any subsequent change/increments in the remuneration of KMP (other than the Executive Directors) shall be in accordance with Human Resource guidelines of the Company and terms & conditions of their appointment.

Reimbursement of expenses:

- The Executive Directors and KMP shall be reimbursed with the expenses incurred by them as per the applicable policies of the Company, from time to time.

- vi) Remuneration to the Directors other than the Executive Director:

Sitting Fees:

- The Non-Executive and Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be fixed by the Board.
- Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government, from time to time.

Limit of Remuneration/Commission:

- Remuneration/Commission may be paid within the monetary limit recommended by the Committee and approved by the Board and members, subject to the limit under the applicable provisions of the Act.
- The approval of the members by way of special resolution shall be obtained every year, in case the annual remuneration payable to a single Non-

Executive Director exceeds fifty percent of the total annual remuneration payable to all the Non-Executive Directors, giving details of remuneration thereof.

Reimbursement of expenses:

- The Non-executive Directors shall be reimbursed with the expenses incurred by them in connection with the Board and Committee meetings.

- vii) Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly, by way of remuneration any such sum in excess of the limits prescribed under the Act or without the prior sanction as may be required under the Act, he/she shall refund such sum to the Company within such time as may be specified by the Committee/Board of Directors and until such sum is refunded, hold it in trust for the Company.

b) Remuneration to Senior Management Personnel:

- i) The Nomination and Remuneration Committee shall determine from time to time the remuneration payable to the Senior Management Personnel including their increments in consultation with the Managing Director and subject to approval of the Board of Directors.
- ii) The Board, on the recommendation of the Committee, shall review and approve/ratify the remuneration payable to the Senior Management Personnel of the Company, which shall include remuneration payable, in whatever form.
- iii) Where any insurance is taken by the Company on behalf of its Senior Management Personnel 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.
- iv) Remuneration to the Senior Management Personnel may consist of the following components:

Fixed pay:

- Senior Management Personnel shall be eligible for a monthly remuneration as may be recommended by the Committee and approved by the Board of Directors in accordance with the statutory provisions of the Act and the rules made thereunder for the time being in force.
- The remuneration approved shall clearly provide break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees, etc.

Variable components:

- The participation of the Senior Management Personnel in a performance linked variable pay scheme will be based on the individual and the Company's performance for the year, pursuant to which the Senior Management Personnel are entitled to performance-based variable remuneration.

Reimbursement of expenses:

- The Senior Management Personnel shall be reimbursed with the expenses incurred by them as per the applicable policies of the Company, from time to time.

10. EVALUATION OF PERFORMANCE OF DIRECTORS, BOARD AS A WHOLE AND COMMITTEES THEREOF

The Committee shall review the performance of all the Directors and submit its observations with the Chairman of the Board for necessary discussion and consequential action. The performance of Board and its various Committee will be evaluated by the Board itself. The performance shall be reviewed for every financial year either at the end of the year or beginning of next year.

The Independent Directors shall annually:

- review the performance of Non-Independent Directors and the Board as a whole; and
- review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board of Directors (with the individual director being evaluated recusing himself/herself at the relevant time) shall also annually review the performance of individual Directors, Board as a whole and its Committees.

This evaluation will be based on the responses of individual Directors/Committee Members on the structured questionnaires. The Committee/Board can also engage any external consultant for the purpose of evaluation.

The Board/Committee may evaluate the Directors on following factors, including:

- Attendance at Board meetings and Board Committee meetings;
- Chairmanship of the Board and Board Committees;
- Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- Guidance and support provided to senior management of the Company outside the Board meetings;
- Independence of behaviour and judgment; and
- Impact and influence.

Further, pursuant to Regulation 17(10) of the SEBI (LODR) Regulations, 2015, the evaluation of the Independent

Directors shall be done by the entire Board which shall among other factors, include –

- a) Performance of the Directors;
- b) Fulfilment of the independent criteria as specified in the SEBI (LODR) Regulations, 2015, and their independence from the management.

The Committee shall review the implementation and compliance of the evaluation system followed by the Board.

11. REMOVAL

Any Director may be removed from the Board in accordance with the provisions of the Act. The Committee may also recommend, to the Board with reasons recorded in writing, removal of a Director, KMP and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any. Any removal of an Executive Director shall be subject to the terms and conditions of his/her appointment.

12. DISCLOSURE

This Policy shall also be placed on the website of the Company. Further, as per the provisions of the Act and the

SEBI (LODR) Regulations, 2015, as amended from time to time, the necessary disclosures of this Policy shall be given in the Board's Report.

13. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

14. REVIEW AND AMENDMENT OF THE POLICY

The Board shall review the Policy from time to time based on the changing needs and make suitable modifications as may be necessary. The Board can also amend the Policy as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board of Directors

Amita Birla
Chairman
DIN: 00837718

New Jersey
May 23, 2022

Annexure 6

FORM NO. AOC-2

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY BIRLASOFT LIMITED WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO.

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts / arrangements / transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advance, if any |
|---------|---|--|---|---|---|--------------------------------|
| 1 | Birlasoft Solutions Inc. ("Birlasoft US") [Wholly Owned Subsidiary of Birlasoft Limited] | Contract for providing offshore software development and consultancy services to Birlasoft US | Contract shall be effective from April 01, 2016 and shall remain valid until terminated by either party by giving 45 days' notice to other party. | - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft US ; - Birlasoft US will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft US , under its contract with the end customer for provision of such services. | Not required. Contract was entered in to in ordinary course of business and therefore, approval by the Board was not required. | NIL |
| 2 | Birlasoft Inc. [Wholly Owned Subsidiary of Birlasoft Limited] | Contract for providing offshore software development and consultancy services to Birlasoft Inc. | Contract shall be effective from April 1, 2019 and shall remain valid until terminated by either party by giving 45 days' notice to other party. | - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Inc. ; - Birlasoft Inc. will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft Inc. , under its contract with the end customer for provision of such services. | Not required. Contract was entered in to in ordinary course of business and therefore, approval by the Board was not required. | NIL |

For and on behalf of the Board of Directors

Amita Birla
Chairman
DIN: 00837718

New Jersey
May 23, 2022

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

CSR at Birlasoft is directed towards producing an overall positive impact on the society in line with Birlasoft's values and culture, thereby delivering economic, social, and environmental benefits to the society at large. Ethics is the foundation of CSR and pillar of corporate governance, and we ensure to maintain a balance between economic and social goals. Birlasoft seeks to leverage its IT strength, global presence, and strong employee base to transform the delivery of its social programs efficiently and effectively.

Birlasoft ensures that the CSR programs are in line with statutory norms defined in Schedule VII and Section 135 of the Companies Act, 2013. The projects and activities undertaken in India amount to CSR expenditure, and we focus on undermentioned thematic areas:

2. Composition of CSR Committee:

| Sr. 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 | Amita Birla (Chairman) | Non-Executive Director | 2 | 1 |
| 2 | Anant Talaulicar (Member) | Independent Director | 2 | 2 |
| 3 | Nandita Gurjar (Member) | Independent Director | 2 | 2 |

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Policy: <https://www.birlasoft.com/company/investors/policies-reports-filings>

Committee Positions: <https://www.birlasoft.com/company/investors/corporate-governance>

CSR Projects approved by the Board: <https://www.birlasoft.com/community-initiatives>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The requirement of undertaking impact assessment of CSR projects, pursuant to sub-rule (3) of Rule 8 of the Companies (CSR Policy) Rules 2014, is not applicable to the Company.

However, Birlasoft has voluntarily conducted impact assessment of its Project "Shodhan", through an independent agency, to understand the qualitative and quantitative impact of the interventions undertaken, also to identify gaps and take necessary preventive measures. The impact assessment report is available on the Company's website at <https://www.birlasoft.com/community-initiatives/project-shodhan>

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: NIL

6. Average net profits of the Company as per Section 135(5): ₹ 2,456.81 million

7. (a) Two percent of average net profits of the Company as per Section 135(5): ₹ 49.14 million

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL

(c) Amount required to be set-off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 49.14 million

8. (a) CSR amount spent or unspent for the financial year:

| Total amount spent for the financial year (in ₹) | | Amount Unspent (in ₹) | |
|---|------------------|---|--------|
| Amount | Date of transfer | Name of the Fund | Amount |
| 29,140,000 | April 6, 2022 | N.A. | NIL |
| Total amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | |
| 20,000,000 | April 6, 2022 | N.A. | N.A. |

- (b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|--------------|---|---|---------------------|-------------------------|------------------|---|---|--|--|--|
| Sr. 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 | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |
| 1. | Preventive Healthcare Program for Women | Preventive Health care | No | Rajasthan Jaipur | 18 months | 20,000,000 | 0 | 20,000,000 | No | William J Clinton Foundation |
| Total | | | | | | 20,000,000 | 0 | 20,000,000 | | |

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sr. 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 ₹) | Mode of Implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | CSR Registration number | |
|---------|--------------------------------------|---|---------------------|--|-------------------------------------|--|---|-------------------------|----------|
| | | | | | | | | State | District |
| 1 | Shodhan | Environmental Sustainability | No | Haryana Karnal | 6,415,500 | Through implementation partner | CIIFoundation | CSR00001013 | |
| 2 | Health Infrastructure for Covid Care | Promoting Healthcare and Disaster Management | Yes | Maharashtra Pune | 15,000,000 | Through implementation partner | Grant Medical Foundation | CSR00004934 | |
| 3 | Vaccination Drive | Preventive Healthcare and Disaster Management | Yes | UP, Maharashtra, Tamil Nadu, AP, Karnataka | 188,820 | Through implementation partner | Bhumi Foundation | CSR00001059 | |
| 4 | Vaccination Drive | Preventive Healthcare and Disaster Management | Yes | Delhi -NCR | 2,806,430 | Through implementation partner | Cancer awareness prevention and early detection trust | CSR00000750 | |

| Sr. 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 ₹) | Mode of Implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency |
|--------------|---------------------|---|---------------------|--|--|-------------------------------------|--|--|
| | | | | State | District | | | |
| 5 | Joy of Giving | Disaster Management | Yes | UP, Maharashtra, Tamil Nadu, AP, Karnataka | Noida, Pune, Mumbai, Chennai, Hyderabad, Bangalore | 4,750 | Through implementation partner | Smile Foundation |
| 6 | BforCe | Promoting education and skill development | Yes | UP, Maharashtra, Tamil Nadu, AP, Karnataka | Noida, Pune, Mumbai, Chennai, Hyderabad, Bangalore | 772,700 | Through implementation partner | Bhumi Foundation |
| Total | | | | | | | | 25,188,200 |

(d) Amount spent in Administrative Overheads: ₹ 2.35 million

(e) Amount spent on Impact Assessment, if applicable: ₹ 1.6 million

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 2914 million

(g) Excess amount for set-off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5):

During the financial year 2021-22, the Company allocated ₹ 20 million to an ongoing project on Preventive Healthcare Program for Women, as per details mentioned in 8(b) above. This amount has been transferred to Unspent CSR Account as per Section 135(6) of the Act and will be spent in accordance with the Act and Companies (CSR Policy) Rules 2014.

For and on behalf of the Board of Directors

May 23, 2022

Amita Birla
New Jersey
DIN: 00837718
Chairman of CSR Committee

Dharmender Kapoor
New Jersey
DIN: 08443715
CEO & Managing Director

Annexure 8

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO STIPULATED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

CONSERVATION OF ENERGY

- The Company has replaced 15-year-old HVAC system of the SDB-2 building with new technology energy efficient VRF system which will save approx. 10% of total AC consumption of the SDB-2 building considering the full occupancy.
- Your Company has also replaced the conventional type AC of the SDB-1 building data centre with energy efficient PAC system. This will control the humidity inside the data center and therefore, will reduce the 35000 KWH units per annum.

GREEN INITIATIVES

- Induction of electric vehicles in Bengaluru, Pune and Hyderabad offices - As a step towards contribution to a greener environment, and in line with Birlasoft's commitment to environmental sustainability, we have introduced the EV vehicle for Birlasoft offices of Bengaluru, Hyderabad and Pune. We have been one of the early adopters in using this technology for transport operations.

OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES (OHSAS)

Insurance Policies:

At Birlasoft, to ensure the health and fitness of the employees, we have implemented three Insurance policies viz. Group Medclaim Insurance Policy ("GMC"), Group Personal Accident Policy ("GPA") and Group Term Life Insurance Policy ("GTL") and it is mandatory for all the employees to get covered under all these policies. The GMC provides the insurance coverage facility to the employees and their families, under the event of hospitalization due to any disease or IPD treatment. In the present era of pandemic in order to take care of employees we have also provided an option of Policy TOP-UP where employees can take an additional coverage of upto Rupees 10 lakhs Sum Insured (on payment) over and above the base cover. Home-Quarantine aspect is also covered under the GMC policy. The GPA provides the insurance coverage to all the employees, in case of an accident during or after working hours. Similarly, GTL provides the insurance coverage to the employees, in case of deaths which could be natural, accidental or suicidal.

Birlasoft ensures well-being and healthy lifestyle for employees and their family members through its premier healthcare program - Bcares.

Bcares vision is to inspire, create and maintain holistic well-being of employees. This program is built on five pillars of wellness viz physical wellness, mental wellness, financial stability, social wellness and workplace wellness:



Under physical wellness, each employee is encouraged to maintain a healthy and disease-free lifestyle through various specially curated programs and health offerings. Employees and their family members are encouraged to maintain good mental health through Employee Assistance Program (EAP). We also conduct numerous talk sessions and 1-1 counselling sessions to assist employees and their family members handle various issues.

To meet financial goals and achieve stability, we help and guide on 'Investment Planning' and 'Financial Compliance' and also help to manage current and future economic situations. There are various initiatives which form part of social wellness like talent tribes, etc. These initiatives also provide a platform to connect like-minded people, pursue hobbies and engage in social development areas. To ensure workplace wellness, Birlasoft takes all necessary measures to ensure safety, security, and well-being of employees.

WELLNESS ACTIVITIES

Wellness initiatives were focused on holistic well-being and were conducted virtually during the COVID-19 pandemic:

- Taskforce of leaders and senior managers was formed to plan wellness initiatives during COVID-19.
- Established 24*7 COVID-19 helpdesk to support employees.
- Mass inoculation of employees and their family members in all the centers.
- COVID-19 Aid fund was established to support the family of deceased employees.
- Employee could claim the expenses for home quarantine and hospitalization.

- Provision of Interest free salary advance to the employees.
- Facility of 15 days paid leave to the employee suffering from COVID-19.
- Oxygen concentrators at each center to meet the emergency.
- Telemedicine consultation for COVID-19.
- Fitness challenges, crash courses on fitness and Virtual walkathon.
- Webinars / workshops on physical, emotional and mental well-being of employees and their family members in COVID-19 outbreak.
- Measures were undertaken in all the offices like sanitization & social distancing.
- Regular communication and connect with employees through advisory.
- Talks on diets, exercise, and ergonomics during work from home.
- Digital and paper Communication on COVID-19 awareness and prevention.
- Provision of masks and sanitizers to all associates in offices.
- In house sterilisation of all cabs.
- Sanitizers placed at all key points like entry and exit of the premises to ensure safety.
- Infra-red temperature guns are used to check temperature of all employees and third-party personnel entering the premises.
- Regular chemicals and toiletries replaced by COVID-19 specific disinfectant cleaners.
- Heartfulness and Mindfulness sessions for healthy mind and soul.
- Virtual Isometric and yoga sessions.
- Financial guidance on savings, ITR filling, investments for women and Millennials, Workshops on Investment Post Union Budget 2022.
- Employee assistance program for 24*7 counselling services.
- Occupational health center.
- Empaneled dietician and general physician.
- Cancer awareness session.
- Provision of health food counters in all locations.
- Life skill training like CPR and AED.
- Wellness hour.
- Smoking cessation and Maternity wellness programs were introduced for employees.
- Discounted medicines at branded medical stores.
- Discounted medical tests from recognized Labs.
- Parenting program was launched to guide parents of toddler, tweens and teens.
- Free mammography for women employees and spouses of the male employees.
- Sanitary Napkins availability in all the restrooms.
- Check-in and check-out of security escorts for lady employees has been automated to get online records.
- Specialized programs on obesity and diabetes management were conducted.
- Social connects with employees and community to ensure engagement and minimize isolation.
- Health assessments and happiness quotient.

TECHNOLOGY ABSORPTION

In continuation of Birlasoft's Digital transformation journey, the focus has been on cloud migration, application consolidation, hyper automation, and actionable intelligent insights.

Cloud migration strategy emerged to address cost optimization, enhanced security, higher up-time and scalability which is necessary for upcoming growth. As a result, multiple on-premises systems were migrated to cloud e.g., migration of CRM to cloud will deliver seamless integration with mailing system, collaboration platform and mobile app. This will enhance the productivity of the business teams. On the same lines, cloud migration of S4HANA(ERP) to SAP-RISE and migration of apps and infra to Azure has been initiated. This migration will drive harmonization, provide scalability, standard reference architecture, managed security and set the foundation for quicker innovation and faster deployments.

Faced with the need to drive simplification and agility across the business, focus has been on application & platform consolidation. Hence, the end-to-end Hire to retire process is being moved to common platform to provide a homogeneous environment and better employee experience. Implementation of cloud based SuccessFactors-Recruitment would eliminate the conflicting applications which created barrier for users to effectively use the system.

To boost the productivity, speed and quality, hyper automation has been embraced. Therefore, Robotic Process Automation has been deployed to automate manual interventions within

and across applications. Fully automated bots are operating 24*7 which have reduced the dependency on availability of resources across the shifts and on the weekends. In addition to business process automation, security implementation during custom development has also been automated (DevSecOps). Similarly, service desk automation using self-heal and self-help functionality has improved the speed of resolution. AI powered Network monitoring and management automation has improved the productivity by providing early warnings with auto corrections.

Data driven business decisions demand actionable intelligent insights. To address the business need, a no-code low-code analytics platform, has been rolled out. As a result, business leaders can generate self-service analytics on demand and leverage the predictive analytics based on AI and machine

learning. For meaningful insights, it is necessary to collate and analyze data across the application. Hence, a DataLake project has been initiated which feeds the collated data across the applications to analytics platform.

With continuous advancements, information technology is driving business innovations and is critical for sustainable success. Therefore, we at Birlasoft have been continuously challenging ourselves to be at forefront by leveraging latest technology and contribute to sustainable growth of the organization.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Given the global nature of the business of the Company, exports always form its thrust. The total foreign exchange earnings during the year have been ₹ 17,880.89 million (previous year ₹ 14,197.11 million) and foreign exchange outgo (including imports) has been ₹ 259.08 million (previous year ₹ 822.40 million).

For and on behalf of the Board of Directors

New Jersey
May 23, 2022

Amita Birla
Chairman
DIN: 00837718

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance essentially involves balancing the interests of various stakeholders of the Company such as shareholders, management, customers, suppliers, financiers, government and the community. It entails managing business with accountability to and responsibility towards the shareholders and making accurate, adequate and timely disclosures of relevant information. It includes the processes through which organization's objectives are set and pursued in the context of the social, regulatory and market environment.

We, at Birlasoft, believe that efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the business of any organization. The importance of such Corporate Governance has now further intensified, owing to ever-growing competition in businesses in almost all economic sectors, both at national and international levels. Therefore, the Companies Act, 2013 [hereinafter referred to as "the Act"], and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "the SEBI (LODR) Regulations, 2015"] have innovative means to make Corporate Governance in India optimally progressive and beneficial to all the stakeholders.

We are committed to continuously scaling up our Corporate Governance standards. Our Corporate Governance framework has been built on the Company's value system which is as follows:

Engaged: People are our biggest assets. This includes the customers we serve, our colleagues and the suppliers we partner with. When customers work with us, they allow us to enter their organization and blend harmoniously with their culture and people. We engage with them to work seamlessly and it's no different when it comes to working with our partners.

Dependable: Customers look for support and we need to make them feel that they can rely on us. It's very important for us to find out how we as an organization can win their trust and continue to function as a dependable unit.

Challenger: Our organization is about scale and quality. We take great care to deliver the best to our customers by understanding their needs. Focus, agility and flexibility from our side are always paramount as we go the extra mile to drive success for our customers.

Our philosophy is aimed at conducting business ethically based on the following principles:

1. Compliance with the relevant provisions of securities laws and conformity with globally accepted practices of corporate governance, secretarial standards provided by the Institute of Company Secretaries of India and laws of India in true spirit;
2. Integrity in financial reporting and timeliness of disclosures;

3. Transparency in the functioning and practices of the Board;
4. Balance between economic and social goals;
5. Equitable treatment and rights of shareholders;
6. Maintenance of ethical culture within and outside the organization;
7. Establishing better risk management framework and risk mitigation measures; and
8. Maintaining independence of auditors.

We seek to protect the shareholders' rights by providing timely and sufficient information to the shareholders, allowing effective participation in key corporate decisions and by providing adequate mechanism to address the grievances of the shareholders. This ensures equitable treatment of all shareholders including minority and foreign shareholders. We ensure timely and accurate disclosure on significant matters including financial performance, ownership and governance of the Company. We implement the prescribed accounting standards in letter and spirit in the preparation of financial statements, taking into account the interest of the stakeholders and the annual audit is conducted by an independent and qualified auditor. Investor updates are uploaded on the Company's website on quarterly basis and also intimated to the stock exchanges for the benefit of its stakeholders. Further, additional updates are provided to the stakeholders on any matter that concerns them, as and when the circumstances arise.

Our Board periodically reviews its corporate strategies, annual budgets and sets, implements and monitors corporate objectives. It effectively monitors the Company's governance practices and ensures transparent Board processes. Further, it appoints and compensates the key executives, monitors their performance and strives to maintain overall integrity of the accounting and financial reporting systems.

I. BOARD OF DIRECTORS

A. Size and composition of the Board of Directors (the 'Board')

We have a judicious mix of Executive, Non-Executive and Independent Directors on the Board, which is essential to separate the two main Board functions viz. governance and management. The composition of the Board is in conformity with the Regulation 17(1) of the SEBI (LODR) Regulations, 2015. Out of the total strength of seven Directors as on March 31, 2022, four are Independent Directors (of which two are Women Directors), two are Non-Executive Directors and one is an Executive Director. The Board members come from diverse backgrounds and possess rich experience and expertise in various fields. The Board composition and directorships held by each Director both in the Company as well as outside the Company is detailed in Table 1.

Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2022

| Sr. No. | Name of Director | Category of Directorship at Birlasoft | Relationship between Directors inter-se | No. of Directorships held in Public Companies* | Name & Category of Directors in other Listed Companies | No. of Committee Position(s) in Public Companies#e | |
|---------|-------------------|--|---|--|--|--|-------------|
| | | | | | | Member | Chairperson |
| 1 | Amita Birla | Non-Executive, Non-Independent Director - Chairman related to Promoter | Yes (Spouse of Chandrakant Birla) | 4 | 1. Orient Cement Limited - Non-Executive, Non-Independent Director | 1 | Nil |
| 2 | Chandrakant Birla | Non-Executive, Non-Independent Director | Yes (Spouse of Amita Birla) | 8 | 1. Orient Cement Limited - Non-Executive, Non-Independent Director - Chairman 2. Orient Paper & Industries Limited - Non-Executive, Non-Independent Director - Chairman related to Promoter 3. Orient Electric Limited - Non-Executive, Non-Independent Director - Chairman related to Promoter 4. HIL Limited - Non-Executive, Non-Independent Director - Chairman related to Promoter | Nil | Nil |
| 3 | Ashok Kumar Barat | Non-Executive, Independent Director | None | 7 | 1. Bata India Limited - Non-Executive, Independent Director 2. DCB Bank Limited - Non-Executive, Independent Director 3. Cholamandalam Investment and Finance Company Limited - Non-Executive, Independent Director 4. Huhtamaki India Limited - Non-Executive, Independent Director 5. Alembic Pharmaceuticals Limited - Non-Executive, Independent Director | 7 | 5 |
| 4 | Anant Talaulicar | Non-Executive, Independent Director | None | 9 | 1. The Hi-Tech Gears Limited - Non-Executive, Non-Independent Director 2. KPIT Technologies Limited - Non-Executive, Independent Director 3. India Nippon Electricals Limited - Non-Executive, Independent Director 4. Everest Industries Limited - Non-Executive, Independent Director - Chairman 5. Endurance Technologies Limited - Non-Executive, Independent Director | 6 | 1 |
| 5 | Alka Bharucha | Non-Executive, Independent Director | None | 9 | 1. Ultratech Cement Limited - Non-Executive, Independent Director 2. Orient Electric Limited - Non-Executive, Independent Director 3. Hindalco Industries Limited - Non-Executive, Independent Director 4. Honda India Power Products Limited - Non-Executive, Independent Director 5. Aditya Birla Sun life AMC Limited - Non-Executive, Independent Director | 10 | 4 |
| 6 | Nandita Gurjar | Non-Executive, Independent Director | None | 3 | 1. Galaxy Surfactants Limited - Non-Executive, Independent Director | 2 | Nil |
| 7 | Dharmander Kapoor | Executive Director (CEO & Managing Director) | None | 1 | Nil | 1 | Nil |

*including directorship in Birlasoft Limited.

#includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies including Birlasoft Limited.

#Memberships include Chairmanship.

None of the Directors of the Company:

- is a director of more than seven listed companies;
- is a member of more than ten committees or Chairman of more than five committees of Boards (Audit Committee and Stakeholders Relationship Committee) across all the companies where he/she is a Director;
- holds Executive Director position and serves as an Independent Director in more than three listed companies.

All the other conditions as prescribed under the SEBI (LODR) Regulations, 2015, with respect to directorships, committee memberships & chairmanships, are complied with by the Directors of the Company. Further, they have made necessary disclosures regarding the same.

B. Core competencies of the Board of Directors as per Part C of Schedule V - Corporate Governance Report requirements of the SEBI (LODR) Regulations, 2015

The Board of Directors is structured with a thoughtful combination of various skills, competencies and experience which brings in diversity to the Board's perspectives.

Table 2: Key Board Skills/Expertise/Competencies

| Director | Area of Skills/Expertise/Competencies | | | | | | | | |
|-------------------|---------------------------------------|-----------|---------------------------|---|---------------------|--------------------|---------------------------------|------------|----------------------------------|
| | Legal/ Finance/ Accountancy | Technical | IT Business Operations | Human Resources & Stakeholder Engagement | Sales & Delivery | Risk Management | Knowledge of the Industry | Leadership | Board Service & Governance |
| Amita Birla | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chandrakant Birla | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Ashok Kumar Barat | ✓ | | | | | ✓ | | ✓ | ✓ |
| Anant Talaulicar | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Alka Bharucha | ✓ | | | ✓ | | | | ✓ | ✓ |
| Nandita Gurjar | | | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| Dharmander Kapoor | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

C. Board Familiarization Program

At the time of their appointment, our Directors are provided with information about the Company and its organization structure, business model, vision and values, latest published results and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

During the year, the Board members were provided a deep and thorough insight of the business model of the Company through presentations on the operational aspects of the Company's business. At every Board meeting, a detailed business presentation is made which includes information on projects, market share, financial parameters, working capital management, fund flows, change in senior management, major litigation(s), compliance(s), etc. The presentation is

The core skills/expertise/competencies identified by the Board are as follows:

- Legal, finance & accountancy,
- Technical consultancy,
- IT business operations,
- Human resources & stakeholder engagement,
- Sales & delivery,
- Risk management,
- Knowledge of the industry,
- Leadership,
- Board service & governance.

The current Directors possess the above-mentioned skill sets and guide the management in efficient functioning of the Company.

Specific areas of focus or expertise of individual Board members have been highlighted in the table below. However, absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill at all.

made by business leaders so that the Directors are able to connect with them and also seek clarifications. Efforts are also made to acquaint and train the Board members about risk assessment, mitigation plans and the emerging trends in the industry.

The details of such familiarization programs are available on the website of the Company.

D. Succession Planning

The Company believes that it will benefit immensely by identifying crucial job skills, knowledge, social relationships and organizational practices and passing them on to prepare the next generation of workforce, thereby ensuring seamless movement of talent within the organization. The Nomination & Remuneration Committee of the Board of Directors of the

Company works on a structured leadership succession plan for the Company, along with the Human Resources team.

E. Independent Directors

1. Independence

All the Independent Directors have confirmed that they meet the 'independence' criteria as provided under Regulation 16 of SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Act. Also, in terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, all the Independent Directors fulfill the criteria relating to their independence as specified in the SEBI (LODR) Regulations, 2015 and the Act, and are independent of the management.

2. Limit on number of directorships

The number of companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulations 17A and 25 of the SEBI (LODR) Regulations, 2015.

3. Maximum tenure of the Independent Directors

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015 and under Section 149(10) of the Act. Further, during the year, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

4. Formal letter of appointment to Independent Directors

The Company has issued formal appointment letters to the Independent Directors, a specimen of which has been placed on the Company's website.

5. Performance evaluation of Independent Directors

The Nomination and Remuneration Committee has laid down the following criteria for performance evaluation of Independent Directors:

- Attendance at Board meetings and Board Committee meetings;
- Chairmanship of the Board and Board Committees;
- Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- Guidance and support provided to senior management of the Company outside the Board meetings;
- Independence of behaviour and judgement;

f) Impact and influence; and

g) Performance of the Directors.

6. Separate meeting of the Independent Directors

During the financial year 2021-22, a separate meeting of the Independent Directors of the Company was held on March 3, 2022.

F. Responsibilities of the Chairman and other Directors

Amita Birla is the Non-Executive Chairman of the Board of Directors and Dharmander Kapoor is the Chief Executive Officer ("CEO") & Managing Director of the Company. The authorities and responsibilities of each of the above Directors are clearly demarcated as under:

The Chairman guides the team in overseeing business, management of key external relationships and managing Board matters. She also plays a strategic role in Community Initiatives and Corporate Governance.

The CEO & Managing Director is in-charge of the overall management of the Company. He is specifically responsible for all day-to-day operational issues like planning and executing business, reviewing and guiding the country offices, customer delivery units and support functions and ensuring efficient and effective functioning of the organization as a whole.

The Independent Directors ensure Board effectiveness and maintaining high-quality governance of the organization.

The Board of Directors oversees functioning of the management and protects long-term interests of our stakeholders.

G. Term of Directors

As per the current laws in India, Independent Directors can hold office for a term of five years which can be extended for another period of five years. In the Annual General Meeting (the "AGM") held on August 7, 2019, the members appointed Ashok Kumar Barat and Nandita Gurjar for a term of five years, with effect from January 15, 2019. Further, Anant Talaulicar and Alka Bharucha were appointed as Independent Directors, for a term of five years from October 21, 2017 and May 23, 2018 respectively.

Amita Birla was appointed as the Chairman and Chandrakant Birla was appointed as Non-Executive Director at the aforesaid AGM.

Further, at the aforesaid AGM, Dharmander Kapoor was appointed as the CEO & Managing Director of the Company for a period of three years upto May 31, 2022. It is proposed to re-appoint him as the CEO & Managing Director of the Company for a further period of three years with effect from June 1, 2022 at the ensuing AGM. A resolution for the same forms part of the Notice of the ensuing AGM.

Two-third of the Non-Independent Directors of the Company are liable to retire by rotation. Out of the two-third Directors,

one-third of such directors shall retire from office, and shall be eligible for re-appointment. Amita Birla retired by rotation at the AGM held on July 28, 2021, and being eligible, was reappointed as a Director in the same meeting. At the ensuing AGM, Dharmander Kapoor retires by rotation, and being eligible, offers himself for re-appointment as a Director.

H. Directors & Officers Insurance (“D&O”)

In terms of Regulation 25(10) of the SEBI (LODR) Regulations, 2015, the Company has taken a D&O Insurance Policy with adequate quantum and coverage.

I. Non-Executive Directors’ Shareholding

As on March 31, 2022, Nandita Gurjar, Non-Executive - Independent Director, holds 138 equity shares of the Company.

Details of compensation paid/payable to Non-Executive Directors are disclosed elsewhere in this Report.

J. Board Meetings’ Schedule

As a good practice, a calendar of Board meetings for the financial year, is decided and circulated in advance to all the

Board members. Board meetings are usually held at the Registered Office of the Company located in Pune or at other offices situated in the National Capital Region. However, due to the COVID-19 pandemic, the meetings over the past two years are being held over video-conferencing, in line with the notifications issued by the Ministry of Corporate Affairs. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members as per statutory timelines. The Board meets at least once every quarter to review and approve the quarterly results and other items on the agenda. Additionally, the Board also meets annually for discussions on the Annual Operating Plan. Additional Board meetings are held, whenever necessary.

The quorum for Board meetings is either three members or one-third of the total strength of the Board, whichever is higher. During the year, five Board meetings were held on the below dates:

- May 21, 2021;
- July 28, 2021;
- October 26, 2021;
- January 27, 2022; and
- March 30, 2022.

Table 3: Number of Board meetings and the attendance of Directors during the financial year 2021-22

| Sr. No. | Name of the Director | No. of Board meetings held during FY 2021-22 | No. of Board meetings attended by the Directors during FY 2021-22 | Attendance at the last AGM |
|---------|------------------------|--|---|----------------------------|
| 1 | Amita Birla – Chairman | 5 | 5 | Yes |
| 2 | Chandrakant Birla | 5 | 5 | Yes |
| 3 | Ashok Kumar Barat | 5 | 5 | Yes |
| 4 | Anant Talaulicar | 5 | 5 | Yes |
| 5 | Alka Bharucha | 5 | 5 | Yes |
| 6 | Nandita Gurjar | 5 | 5 | Yes |
| 7 | Dharmander Kapoor | 5 | 5 | Yes |

K. Agenda and Minutes of Board & Committee Meetings

The Company Secretary receives details on the matters which require the approval of the Board/Committees of the Board, from various departments of the Company, well in advance, so that they can be included in the Board/Committee meeting agenda. The information as required under the Act, SEBI (LODR) Regulations, 2015, and other prevailing laws is made available to the members of the Board/Committee. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings. The agenda and minutes of Board and Committee meetings are prepared in compliance with the SEBI (LODR) Regulations, 2015, the Act, including the Rules framed thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. All the information as specified in Part A of Schedule II to the SEBI (LODR) Regulations, 2015, as and when applicable is placed before the Board for its consideration.

L. Compliance Management

The Company has set-up a robust compliance management process for monitoring and ensuring regulatory compliances by the Company and its global subsidiaries and branches. The Compliance Officer oversees this process and is responsible for obtaining compliance certificates from all departments and entities and reporting compliances to the Board. The Company also has in place an automated legal compliance management tool, the application of which has been extended to cover various locations, branches and subsidiaries.

Based on reports from the tool and certificates from all departments, a consolidated compliance certificate is placed before the Board in quarterly Board Meetings. The Company is constantly striving to strengthen the reporting system to take care of the continuously evolving compliance scenario.

II. COMMITTEES OF THE BOARD

The Board has constituted the following committees and is responsible for fixing their terms of reference in accordance with the statutory requirements -

- Audit Committee
- Nomination and Remuneration Committee (“NRC”)
- Stakeholders Relationship Committee (“SRC”)
- Corporate Social Responsibility (“CSR”) Committee
- Risk Management Committee (“RMC”)

All of these Committees are chaired by Non-Executive/Independent Directors. A calendar of Committee meetings is also circulated to all the members at the beginning of the financial year. The Audit Committee generally meets at least four times a year; SRC meets annually; CSR Committee, RMC and NRC meet at least twice a year. Except where a statutory quorum has been prescribed, the quorum for committee meetings is either two members or one-third of the total strength of the committee, whichever is higher. The Board of Directors are updated about key matters discussed at Committee meetings. Minutes of Committee meetings are also noted by the Board. During the year, the Board of Directors accepted all recommendations of its Committees, which are mandatorily required to be made. The Chairpersons of all committees attended the Annual General Meeting of the Company held on July 28, 2021.

A. Audit Committee

Composition

As on March 31, 2022, the Audit Committee consists of four Independent Directors. Ashok Kumar Barat is the Chairman of this Committee, and Anant Talaulicar, Alka Bharucha and Nandita Gurjar are the other members. All members of this Committee are financially literate, and the Chairman of the Committee has the accounting & financial management expertise. A brief profile of all the Committee members is provided elsewhere in this Annual Report. The Chief Financial Officer attends all the meetings of the Committee. The senior leadership and functional heads are also invited to the meetings. Representatives of the Statutory Auditor and the Internal Auditor make presentations at the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

Role and objectives

The Board has duly defined the terms of reference of the Audit Committee on the same lines as provided under Regulation 18(3) read with Schedule II of the SEBI (LODR) Regulations, 2015, and Section 177 of the Act, as amended from time to time.

The Audit Committee’s roles and objectives include:

1. oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditors’ 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 Act;
 - 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;
 - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. 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 utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;

14. discussion with internal auditors of any significant findings and follow up thereon;
15. 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;
16. discussion 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;
17. to look 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;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. reviewing the utilization of loans and/or advances from/investment by the holding 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;
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
23. management discussion and analysis of financial condition and results of operations;
24. management letters/letters of internal control weaknesses issued by the statutory auditors;
25. internal audit reports relating to internal control weaknesses;
26. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
27. 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);
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
28. and such other roles & responsibilities pursuant to the statutory requirements under the Act, and all

rules, circulars and any notifications thereunder and amendments thereof; the SEBI (LODR) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and such other Regulations as may be notified by the Securities and Exchange Board of India and amendments thereof; and such other roles, powers and obligations as may be entrusted/delegated/authorized to it by the Board.

Meetings

The Audit Committee met four times during the financial year 2021-22 on May 21, 2021, July 27 & 28, 2021, October 25 & 26, 2021 and January 27, 2022. The details of meetings and attendance are given in the Table 4 below:

Table 4: Audit Committee - meetings and attendance

| Sr. No. | Name of the Committee Member | No. of meetings held during FY 2021-22 | No. of meetings attended |
|---------|------------------------------|--|--------------------------|
| 1 | Ashok Kumar Barat – Chairman | 4 | 4 |
| 2 | Anant Talaulicar | 4 | 4 |
| 3 | Alka Bharucha | 4 | 4 |
| 4 | Nandita Gurjar | 4 | 4 |

B. Nomination and Remuneration Committee

Composition

The NRC consists of two Independent Directors and one Non-Executive Director. Anant Talaulicar is the Chairman and Amita Birla and Nandita Gurjar are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as provided under Regulation 19(4) read with Schedule II of the SEBI (LODR) Regulations, 2015, Section 178 of the Act and as defined by the Board of the Directors of the Company, are as under:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. for every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities

identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of board of directors, its committees, individual directors and independent directors, to be carried out by the Board/Committee or by an independent external agency and review its implementation and compliance;
 4. devising a policy on diversity of Board of Directors;
 5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
 6. decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 7. recommend to the Board, all remuneration, in whatever form, payable to senior management.

Meetings

The Committee met two times during the year – May 5, 2021 and October 25, 2021.

The details of meetings and attendance are given in Table 5 below:

Table 5: Nomination and Remuneration Committee - meetings and attendance

| Sr. No. | Name of the Committee Member | No. of meetings held during FY 2021-22 | No. of meetings attended |
|---------|------------------------------|--|--------------------------|
| 1 | Anant Talaulicar – Chairman | 2 | 2 |
| 2 | Amita Birla | 2 | 1 |
| 3 | Nandita Gurjar | 2 | 2 |

C. Stakeholders Relationship Committee

Composition

The Board has formed an SRC to look into various aspects of interest of shareholder. The Committee is chaired by a Non-Executive Independent Director, Alka Bharucha. Nandita Gurjar and Dharmander Kapoor are the other members of the Committee.

Compliance Officer

The Board has appointed Sneha Padve, the Company Secretary, as the Compliance Officer, as required under the SEBI (LODR) Regulations, 2015.

Role and objectives

The role and objectives of the Committee as provided under Regulation 20(4) read with Schedule II of the SEBI (LODR) Regulations, 2015, Section 178 of the Act and as defined by the Board of Directors of the Company are detailed below:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Transfer Agent;
4. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Meetings

The meetings of the Committee are held to oversee redressal of stakeholders' grievances. The details of complaints from the shareholders/investors are given below. As required under the SEBI (LODR) Regulations, 2015, the Company files with the stock exchanges within twenty-one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter and the said statement is placed before the Board on a quarterly basis.

The Company has a dedicated e-mail ID: grievances@birlasoft.com for redressing shareholders' grievances.

During the year, one meeting of the SRC was held on October 26, 2021. The details of the meeting and attendance are given in Table 6.

Table 6: Stakeholders Relationship Committee - meetings and attendance

| Sr. No. | Name of the Committee Member | No. of meetings held during FY 2021-22 | No. of meetings attended |
|---------|------------------------------|--|--------------------------|
| 1 | Alka Bharucha – Chairman | 1 | 1 |
| 2 | Nandita Gurjar | 1 | 1 |
| 3 | Dharmander Kapoor | 1 | 1 |

Table 7: Details of complaints from shareholders during FY 2021-22

| No. of complaints received | No. of complaints resolved | No. of pending complaints |
|----------------------------|----------------------------|---------------------------|
| 2 | 2 | 0 |

D. Risk Management Committee

The Company has an integrated approach to managing the risks inherent in the various aspects of its business. As a part of this approach, the Company's Board is responsible for monitoring risk levels according to various parameters and ensuring implementation of mitigation measures, if required. There is a mechanism in place to inform Board Members about the risk assessment and minimization procedures to ensure that executive management controls risks by means of a properly defined framework.

The Board has constituted an RMC, as required by Regulation 21 of the SEBI (LODR) Regulations, 2015.

Composition

The members of the Committee are Ashok Kumar Barat, Anant Talaulicar, Alka Bharucha and Nandita Gurjar.

Role and objectives

The role and objectives of the Committee as provided under Regulation 21 read with Schedule II of the SEBI (LODR) Regulations, 2015 and as defined by the Board of Directors of the Company are as below:

- formulate a detailed risk management policy which shall include:
 - a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - measures for risk mitigation including systems and processes for internal control of identified risks;
 - business continuity plan;
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The RMC coordinates its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Meetings

The Committee met twice during the year on July 27, 2021 and January 18, 2022. The details of meetings and attendance are given in Table 8.

Table 8: Risk Management Committee - meetings and attendance

| Sr. No. | Name of the Committee Member | No. of meetings held during FY 2021-22 | No. of meetings attended |
|---------|------------------------------|--|--------------------------|
| 1 | Ashok Kumar Barat | 2 | 2 |
| 2 | Anant Talaulicar | 2 | 2 |
| 3 | Alka Bharucha | 2 | 2 |
| 4 | Nandita Gurjar | 2 | 2 |

E. Corporate Social Responsibility Committee

The Company has a CSR Committee to oversee the discharge of CSR obligations, as required by Section 135 of the Act, and the relevant rules. The Committee consists of three directors including two Independent Directors.

Composition

Amita Birla is the Chairman of the Committee. Nandita Gurjar and Anant Talaulicar are the other members of the Committee.

Role and objectives

The role and objectives of the Committee, as provided by the Act and Rules thereunder and as defined by the Board of Directors of the Company, are as under:

- formulation and recommendation of CSR policy to the Board;
- formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR policy;
- identification of activities to be undertaken by the Company;
- recommendation of amount of expenditure on CSR activities;
- monitor the CSR policy from time to time.

Meetings

The Committee met twice during the year on May 5, 2021 and October 25, 2021. The details of meetings and attendance are given in Table 9.

Table 9: Corporate Social Responsibility Committee - meetings and attendance

| Sr. No. | Name of the Committee Member | No. of meetings held during FY 2021-22 | No. of meetings attended |
|---------|------------------------------|--|--------------------------|
| 1 | Amita Birla – Chairman | 2 | 1 |
| 2 | Nandita Gurjar | 2 | 2 |
| 3 | Anant Talaulicar | 2 | 2 |

III. REMUNERATION OF DIRECTORS

Within the limits prescribed under the Act, and by the members' resolutions, the NRC determines and recommends to the Company's Board, the remuneration payable to Executive and Non-Executive Directors and thereafter, the Board considers the same for approval. The details of remuneration paid to the Executive Director of the Company are given in Table 10.

The Company has entered into an Executive Employment Agreement with the CEO & MD.

The terms of employment of Executive Directors are governed by the applicable policies of the Company at the relevant point in time. A fair portion of the Executive Director's Performance Linked Incentive is linked to Company's as well as individual performance. This creates alignment with the strategy and business priorities to enhance shareholder value.

Table 10: Remuneration paid to Executive Director in the financial year 2021-22

(Amount in ₹ million)

| Name of Director/ Remuneration Details | Dharmander Kapoor CEO & Managing Director |
|--|---|
| Salary | 26.76 |
| Employer's contribution to Provident Fund ("PF") | 1.54 |
| Leave Encashment | 0.72 |
| Variable Performance Incentive | 11.95 |
| Long Term Incentive | 10.52 |
| Perquisites | 149.37 |
| Others | 0.23 |
| Notice Period | 3 months |
| Severance Fees | Notice Pay |
| Total | 201.09 |

Notes:

- In accordance with the definition of perquisites under the Income Tax Act, 1961, remuneration includes the following:
 - Value of stock incentives only on those shares that have been exercised during the financial year. Accordingly, the value of stock incentives granted during the financial year is not included.
 - Since Employer's contribution to PF is mentioned separately, it has been excluded from perquisites value.
 - Perquisites value includes interest on employer's contribution to PF exceeding ₹ 7.5 lakhs.
- Others include non-taxable allowances.
- Remuneration excludes provision for gratuity, as separate actuarial valuation for Directors is not available.

During the year, Dharmander Kapoor was not granted any stock options and/or Restricted Stock Units. He was allotted 350,000 shares under the Special Purpose Birlasoft - Employee Stock Option Plan 2019 of the Company.

Under Section 197 of the Act, a Director who is neither in the whole-time employment of the Company nor a Managing Director ("Non-Executive Directors"), may be paid remuneration by way of commission if the members of the Company, authorize such payment. However, the remuneration paid to all such Non-Executive Directors taken together should not exceed 1% of the net profits of the Company in any relevant financial year, if the Company has a Managing or a Whole-time Director or a Manager. The Board of Directors of the Company has approved a commission of ₹ 16.50 million (previous year ₹ 16.50 million) to the Non-Executive Directors of the Company for the financial year 2021-22. There is no other remuneration to the Non-Executive Directors, except sitting fees for the meetings attended by them. The details of remuneration to the Non-Executive Directors for the financial year 2021-22 are given in Table 11.

Table 11: Remuneration to Non-Executive Directors

(Amount in ₹ million)

| Name of Director | Commission | Sitting Fees |
|------------------------|--------------|--------------|
| Amita Birla – Chairman | 5.00 | 0.60 |
| Chandrakant Birla | 2.00 | 0.50 |
| Ashok Kumar Barat | 3.00 | 1.00 |
| Anant Talaulicar | 2.50 | 1.20 |
| Alka Bharucha | 2.00 | 1.05 |
| Nandita Gurjar | 2.00 | 1.25 |
| Total | 16.50 | 5.60 |

Table 12: Basis for remuneration paid to Non-Executive Directors

| Remuneration | Board meeting & Audit Committee meeting | Other Committee meetings |
|--------------|---|--------------------------|
| Sitting Fees | ₹ 100,000/- per meeting | ₹ 50,000/- per meeting |
| Commission | The total amount of commission to be paid to the Non-Executive Directors for the financial year 2021-22 is ₹ 16.50 million. This is distributed among the Non-Executive Directors on the basis of their chairmanship/membership of Board committees, duration of their directorship during the year and their general contribution to the Company outside board/committee meetings. | |

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors apart from the remuneration and the transactions as disclosed under the "Related Party Transactions" in the financial statements.

No stock options have been granted to any of the Non-Executive Directors and/or Independent Directors during the financial year 2021-22.

IV. SHAREHOLDERS' INFORMATION

A. General body meetings

Table 13: Details in respect of the past three Annual General Meetings (AGMs) of the Company

| Date of the meeting (year) | Venue of the meeting | Time of the meeting | Special Resolution Passed |
|----------------------------|--|---------------------|---|
| August 7, 2019 (2018-19) | Birlasoft Limited Auditorium, SDB – II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057. | 04:00 P.M. | To adopt a new set of Articles of Association of the Company. |
| August 26, 2020 (2019-20) | Held through Video Conferencing/Other Audio Visual Means ("VC/OAVM") pursuant to notifications issued by Ministry of Corporate Affairs, hence deemed venue being the Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057. | 02:30 P.M. | 1) Adoption of a new set of Memorandum of Association. 2) Approval of the waiver of recovery of excess remuneration. |
| July 28, 2021 (2021-22) | Held through Video Conferencing/Other Audio Visual Means ("VC/OAVM") pursuant to notifications issued by Ministry of Corporate Affairs, hence deemed venue being the Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057. | 04:00 P.M. | Increase in the managerial remuneration limit payable to Dharmander Kapoor – CEO & Managing Director, in excess of 5% of the net profits of the Company and therefore, to increase the overall maximum managerial remuneration limit from 11% to 15%, for the financial year 2021-22. |

B. Special Resolution through Postal Ballot

During the year under review, the Company has not passed any special resolution through Postal Ballot.

The Board of Directors of the Company at its meeting held on May 23, 2022 has, subject to approval of the members of the Company by way of Special Resolution through Postal Ballot and subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the proposal to buyback up to 7,800,000 fully paid-up equity shares of face value of ₹ 2/- each representing upto 2.79% of the total number of equity shares in the paid-up share capital of the Company, at a price of ₹ 500/- per equity share payable in cash, for an aggregate amount not exceeding ₹ 3,900 million/- (excluding transaction costs, applicable taxes and other incidental and related expenses) through the "tender offer" route as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

Procedure for Postal Ballot

The postal ballot will be carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and in line with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, and 3/2022 dated May 5, 2022, issued by the Ministry of Corporate Affairs and in accordance with Regulation 44 & other applicable provisions of the SEBI (LODR) Regulations, 2015, for the time being in force and as amended from time to time.

C. Means of Communication

a) Quarterly Results

The Company's quarterly financial results are posted on the Company's website. During the financial year, the

financial results were published in Financial Express, Indian Express and Loksatta. Financial results and all material information are also regularly provided to the stock exchanges as per the requirements of the SEBI (LODR) Regulations, 2015 and are available on their websites.

Table 14 – Details of Publication of Financial Results in Newspapers

| Date of Publication | Particulars | Newspaper |
|---------------------|---|--|
| May 22, 2021 | Audited consolidated financial results for the quarter and year ended March 31, 2021. | The Financial Express, Indian Express & Loksatta |
| July 29, 2021 | Unaudited consolidated financial results for the quarter ended June 30, 2021. | The Financial Express, Indian Express & Loksatta |
| October 27, 2021 | Unaudited consolidated financial results for the quarter and half year ended September 30, 2021. | The Financial Express, Indian Express & Loksatta |
| January 28, 2022 | Unaudited consolidated financial results for the quarter and nine months ended December 31, 2021. | The Financial Express, Indian Express & Loksatta |

b) News releases

The official news releases are intimated to the stock exchanges and are also uploaded on the Company's website.

c) Presentations to the institutional investors/analysts

The detailed investor updates/presentations are sent to the stock exchanges on the Company's quarterly, half-yearly as well as annual financial results and same are made available to the investors and financial analysts. Further, the Company hosts earnings call with the Investors/Analysts after publishing its quarterly results and the details of the earnings call are uploaded on the stock exchanges. The transcripts of the earnings call

with the investors/analysts are also uploaded on the Company's website.

d) Company's Website

The Company's website <https://www.birlasoft.com/company/investors> contains a separate section on "Investors", where relevant information is available.

e) Communication to members

The Company has sent individual letters to the members as per records, for claiming unclaimed/unpaid dividend/dematerialization of shares/updating PAN, Bank Account details, Nomination and other KYC details followed by reminders.

The formats for updating the above details are available on the Company's website at <https://www.birlasoft.com/company/investors/policies-reports-filings#Shareholders-info>.

f) Designated e-mail ID

The Company has a designated e-mail ID, namely grievances@birlasoft.com for the shareholders.

g) Stock Exchange filings

NSE Electronic Application Processing System (NEAPS) is a web-based application designed by the National Stock Exchange of India Limited for corporates. All periodical and other compliance filings are filed electronically on NEAPS.

BSE Limited's Listing Centre is a web-based application designed for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.

h) SEBI Complaints Redress System (SCORES)

Investor complaints are processed at the Securities and Exchange Board of India in a centralized web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.

V. GENERAL SHAREHOLDER INFORMATION

1. Registered Office:

35 & 36, Rajiv Gandhi Infotech Park,
Phase - I, MIDC, Hinjawadi, Pune – 411057.
Tel. No.: +91-20-66525000,
Fax No.: +91-20-66525001, Website: www.birlasoft.com.

2. Date of Incorporation:

December 28, 1990

3. Registration No./CIN:

L72200PN1990PLC059594

4. Details of Annual General Meeting ("AGM"):

i. Day & Date –

Wednesday, August 3, 2022

ii. Time –

04:00 P.M. IST

iii. Venue –

The Company is conducting the AGM through Video Conferencing/Other Audio Visual Means ("VC/OAVM") pursuant to the Circulars issued by the Ministry of Corporate Affairs and as such, there is no requirement to have a venue for the AGM. For details, please refer the Notice of this AGM.

5. Record Date for Final Dividend:

Friday, July 15, 2022

6. Cut-off Date for:

- i. Remote e-voting** Wednesday, July 27, 2022
- ii. Attending AGM through VC/OAVM** Wednesday, July 27, 2022

7. Final Dividend Payment Date: Within the statutory time limit of 30 days, subject to the approval of members in the Annual General Meeting.

8. Interim Dividend: Board Meeting Date: October 26, 2021
Record Date: November 3, 2021
Payment Date: November 17, 2021

9. Financial Year : April 1, 2021 - March 31, 2022

10. Financial Calendar for 2022-23:

Board meeting for consideration of unaudited quarterly results – Within forty-five days from the end of the quarter, as stipulated under the SEBI (LODR) Regulations, 2015.

Board Meeting for consideration of audited results for the financial year – Within sixty days from the end of last quarter, as stipulated under the SEBI (LODR) Regulations, 2015.

Annual General Meeting – Within six months from the end of the financial year.

11. The shares of the Company are listed on the following stock exchanges:

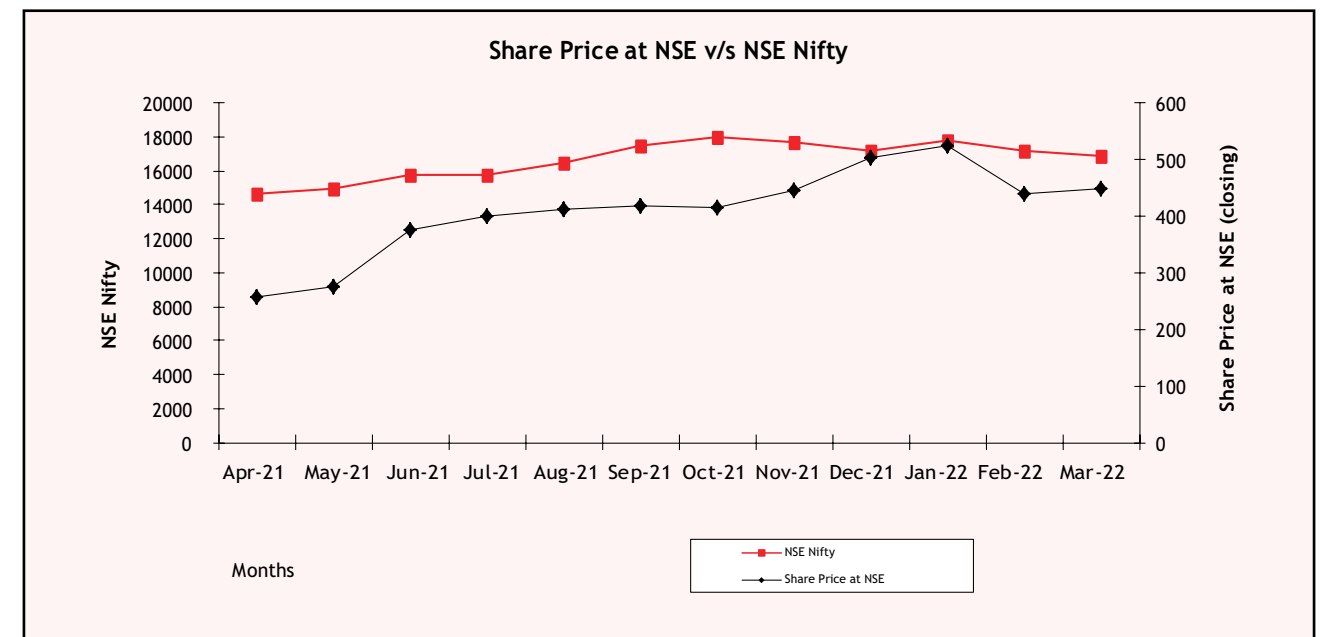
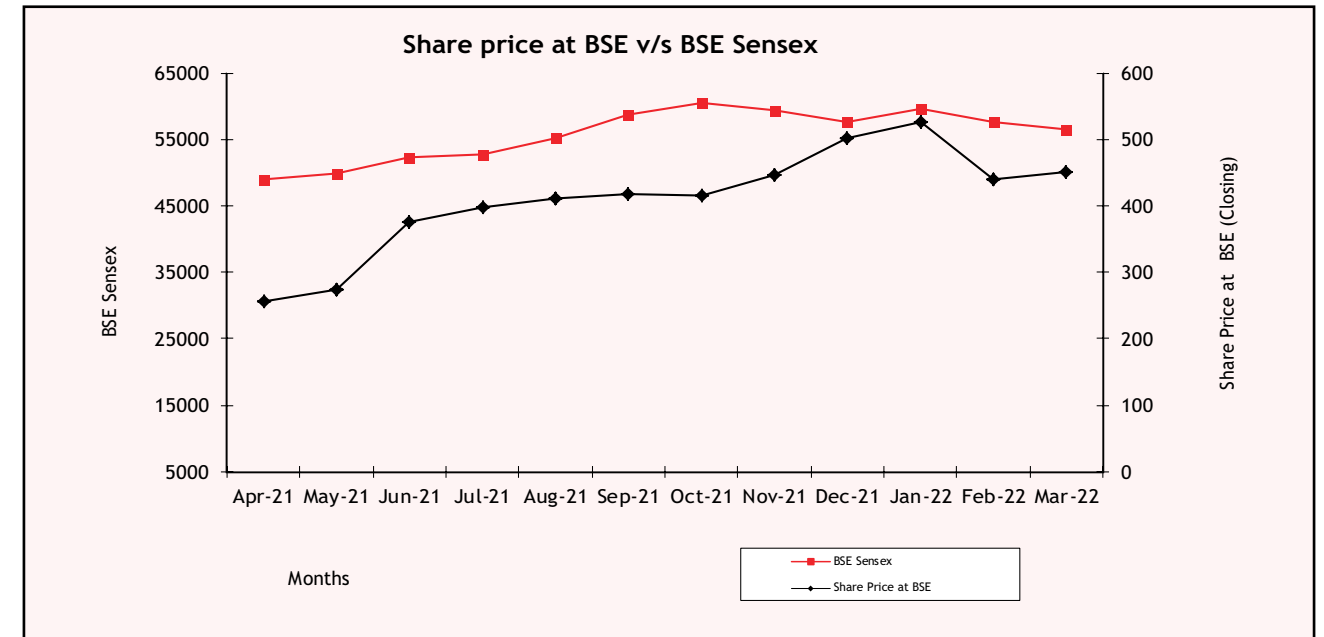
| | |
|--|--|
| National Stock Exchange of India Limited | Exchange Plaza, Plot No. C/1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. NSE Code: BSOFT |
| BSE Limited | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. BSE Code: 532400 |
| ISIN of the Company | INE836A01035 |

The Company has paid the Annual Listing Fee for the financial year 2022-23 to both the stock exchanges.

12. Monthly high/low and average of the Company’s share prices on the National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”):

| Month | NSE | | | | BSE | | | | Total Volume NSE + BSE |
|--------|--------|--------|---------|-------------|--------|--------|---------|-----------|---------------------------|
| | High | Low | Average | Volume | High | Low | Average | Volume | |
| Apr’21 | 278.80 | 241.00 | 256.47 | 22,459,005 | 278.80 | 240.10 | 256.46 | 1,640,029 | 24,099,034 |
| May’21 | 342.00 | 215.90 | 273.85 | 46,378,907 | 341.80 | 238.45 | 273.89 | 3,678,210 | 50,057,117 |
| Jun’21 | 421.35 | 305.25 | 376.50 | 66,678,364 | 421.00 | 306.35 | 376.50 | 5,229,731 | 71,908,095 |
| Jul’21 | 434.85 | 381.30 | 398.71 | 61,175,945 | 434.40 | 381.40 | 398.69 | 4,537,971 | 65,713,916 |
| Aug’21 | 441.30 | 389.80 | 410.70 | 45,933,147 | 441.00 | 390.00 | 410.55 | 3,492,268 | 49,425,415 |
| Sep’21 | 457.80 | 398.45 | 417.01 | 40,901,641 | 457.90 | 397.00 | 417.06 | 3,808,657 | 44,710,298 |
| Oct’21 | 445.80 | 393.20 | 416.06 | 35,491,739 | 445.85 | 393.75 | 416.00 | 3,217,385 | 38,709,124 |
| Nov’21 | 513.95 | 401.50 | 446.19 | 108,101,664 | 513.90 | 401.50 | 446.16 | 6,043,986 | 114,145,650 |
| Dec’21 | 549.35 | 457.75 | 502.16 | 106,587,685 | 549.85 | 458.95 | 502.17 | 7,142,263 | 113,729,948 |
| Jan’22 | 585.85 | 431.00 | 525.80 | 79,793,991 | 585.85 | 431.10 | 525.80 | 5,182,369 | 84,976,360 |
| Feb’22 | 486.90 | 380.00 | 438.84 | 48,083,491 | 487.00 | 380.10 | 438.96 | 3,166,264 | 51,249,755 |
| Mar’22 | 486.00 | 402.45 | 449.94 | 56,127,988 | 485.50 | 403.70 | 449.98 | 3,137,003 | 59,264,991 |

13. Share performance chart of the Company in comparison to BSE Sensex and NSE Nifty:



14. Suspension of Trading:

The securities of the Company were not suspended from trading on stock exchanges during the year under review.

15. Registrar and transfer agent:

Link Intime India Private Limited.

Registered office: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083

Branch office: Block No. 202, Akshay Complex, off Dhole Patil Road, Near Ganesh Temple, Pune - 411001

Phone: +91-20-26161629,

E-mail: pune@linkintime.co.in.

16. Share transfer system:

As mandated by SEBI, the equity shares of the Company can only be issued in dematerialized form while processing service requests for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, transmission and transposition, etc. A communication to this effect was sent to the shareholders.

19. Reconciliation of Share Capital:

As stipulated by the Securities and Exchange Board of India ("SEBI"), a Practising Company Secretary carries out the audit of Reconciliation of Share Capital and provides a report to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The audit, inter-alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

20. Distribution Schedule as on March 31, 2022:

| Quantity of shares From - To | Shareholders | | Total no. of shares | % |
|---------------------------------|----------------|---------------|---------------------|---------------|
| | Number | % | | |
| 1 - 5,000 | 293,808 | 99.60 | 33,906,864 | 12.13 |
| 5,001 - 10,000 | 523 | 0.18 | 3,765,120 | 1.35 |
| 10,001 - 20,000 | 231 | 0.08 | 3,272,173 | 1.17 |
| 20,001 - 30,000 | 93 | 0.03 | 2,326,361 | 0.83 |
| 30,001 - 40,000 | 59 | 0.02 | 2,073,443 | 0.74 |
| 40,001 - 50,000 | 31 | 0.01 | 1,380,545 | 0.50 |
| 50,001 - 100,000 | 85 | 0.03 | 5,783,813 | 2.07 |
| 100,001 & above | 160 | 0.05 | 226,987,763 | 81.21 |
| Total | 294,990 | 100.00 | 279,496,082 | 100.00 |

The share transfer activities are carried out by our Registrar & Transfer Agent and are completed within the specified timelines, provided, all the documents received are in order.

17. Shareholding Pattern as on March 31, 2022:

| Category | No. of shares held | % of total share capital |
|---|--------------------|--------------------------|
| Promoters | 112,905,785 | 40.40 |
| Public | 166,217,897 | 59.47 |
| Mutual Funds | 54,480,565 | 19.49 |
| Foreign Portfolio Investors (Corporate) | 43,063,330 | 15.41 |
| Bodies Corporate | 4,402,438 | 1.58 |
| Non-Resident Indian | 4,426,875 | 1.58 |
| Others | 59,844,689 | 21.41 |
| Non-Promoter - Non-Public | 372,400 | 0.13 |
| TOTAL | 279,496,082 | 100 |

18. Dematerialization of shares and liquidity:

As on March 31, 2022, 99.71% of the total issued share capital was held in electronic form with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

21. Details of dividend in the Unpaid/Unclaimed Dividend Accounts as on March 31, 2022:

| Financial Year | Date of completion of 7 years* | Due date for transfer of shares and amount to IEPF |
|----------------------|--------------------------------|--|
| 2014-15 [#] | September 22, 2022 | October 22, 2022 |
| 2015-16 (Interim) | May 4, 2023 | June 3, 2023 |
| 2015-16 | September 27, 2023 | October 27, 2023 |
| 2016-17 | September 26, 2024 | October 26, 2024 |
| 2017-18 | October 2, 2025 | November 1, 2025 |
| 2018-19 | September 10, 2026 | October 9, 2026 |
| 2019-20 (Interim) | March 4, 2027 | April 2, 2027 |
| 2019-20 | September 28, 2027 | October 27, 2027 |
| 2020-21 (Interim) | December 8, 2027 | January 6, 2028 |
| 2020-21 | August 30, 2028 | September 28, 2028 |
| 2021-22 (Interim) | November 28, 2028 | December 27, 2028 |

*As per Section 124 of the Act, any money transferred to the Unpaid Dividend Account of a Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund ("IEPF"). In view of this provision, the shareholders are kindly requested to get their pending dividend warrants, if any, pertaining to the above financial years, encashed at the earliest. Shareholders can send the unpaid dividend warrants to the Registrar & Transfer Agent of the Company for the purpose of revalidation/reissue.

[#]For the financial year 2014-15, the tentative corresponding number of shares liable to be transferred to the IEPF Authority are 5,825 equity shares of ₹ 2/- each.

Please note that pursuant to Section 124(6), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 ("Rules") as amended from time to time, shares in respect of such dividend will be transferred in the name of the IEPF Authority including all benefits accruing on such shares. The Company has sent out individual communication to shareholders whose dividends remain unclaimed for seven years and published an advertisement in newspapers, informing such shareholders to claim their dividend.

Accordingly, during the year, the Company transferred an amount of ₹ 1,444,978/- being the unclaimed dividend pertaining to the financial year 2013-14 to the IEPF. Further, 9,517 corresponding shares were transferred to the IEPF Authority as required under the above referred rules. The information in respect of such shares is uploaded on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

Members can claim back such dividend and shares including all benefits accruing on such shares from the IEPF Authority after following the procedure prescribed in the Rules.

22. Disclosures with respect to demat suspense account/unclaimed suspense account (Unclaimed Shares):

As required under the SEBI (LODR) Regulations, 2015, the Registrar and Transfer Agent of the Company had sent three reminders to the Shareholders whose physical shares were unclaimed/undelivered. These unclaimed/undelivered shares have been transferred to Unclaimed Suspense Account opened by the Company as required under these Regulations, when no response was received from any Shareholder to the reminders. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The details of the unclaimed shares of the Company are as follows:

| Sr. No. | Particulars | No. of shareholders | No. of shares |
|---------|--|---------------------|---------------|
| (i) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 13 | 14,000 |
| (ii) | Number of shareholders who approached the Company for transfer of shares from suspense account during the year | 0 | 0 |
| (iii) | Number of shareholders to whom shares were transferred from suspense account during the year | 0 | 0 |
| (iv) | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | 13 | 14,000 |

23. 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.

24. Commodity price risk or foreign exchange risk and hedging activities:

During the year 2021-22, the Company has managed the foreign exchange risk and hedged to the extent necessary.

The global economic and geo-political situation continues to remain volatile. Fluctuations in major currencies due to unstable economic conditions impact revenue and profits of the IT industry. This trend is expected to continue and further volatility is expected due to the conflict in Eastern Europe region and unprecedented COVID-19 situation. The Company has in place a Hedging Policy to minimize the risks associated with foreign currency rate fluctuations. The Company enters into forward contracts for hedging foreign currency receivables from its wholly owned subsidiaries and end customers.

The details of foreign currency exposure are disclosed in the notes forming part of the financial statements.

25. Plant Locations:

The Company has various offices in India and abroad. Details of these locations are available on our website and elsewhere in the Annual Report.

26. Address for Correspondence:

Shareholders are requested to send all share transfers and correspondence relating to shares, dividend, etc. to our Registrar & Transfer Agent at:

Link Intime India Private Limited, Contact Person: Sandip Pawar, Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411001, Phone: +91-20-26161629, E-mail: pune@linkintime.co.in.

You can also contact Sneha Padve – Company Secretary and Compliance Officer, Phone: +91-20-66525010, Fax: +91-20-66525001, E-mail: sneha.padve@birlasoft.com, in case you need any further assistance.

For any kind of grievance and for their speedy redressal, the shareholders may send their grievances to grievances@birlasoft.com.

27. Credit ratings:

The Company does not have any debt instrument, fixed deposit programme or any scheme or proposal for mobilization of funds. Hence, during the year, it had not obtained any credit rating for this purpose.

28. Board Members' profile:

A brief profile of the Board Members is given below:

Amita Birla is the Co-Chairman of the CK Birla Group, and Chairman of Birlasoft Limited.

A business leader with extensive global experience in successfully leading companies, Amita has led organizational transformation initiatives across the CK Birla Group and Birlasoft: specifically resulting in more strategically aligned agile teams, enhanced talent processes and stronger brand positioning. She is credited with bringing an inclusive and modern outlook to new as well as legacy businesses of the CK Birla group, inspiring and encouraging contemporary ways of working and a global mindset.

As Chairman at Birlasoft, she leads the long term strategy development and implementation at Birlasoft, and drives its continuous evolution into a future focused, inclusive and employee centric organization. Under her leadership, Birlasoft continues to deepen its capability in domain, expand its global footprint and create excellence in service delivery. Her people focused leadership has catalyzed the introduction of global standards for business and people, not just at Birlasoft, but across the entire spectrum of the CK Birla group's lines of business.

As a passionate advocate of clinical excellence and superior patient experience in healthcare delivery, Amita takes a keen interest in the group's Healthcare business. A part of this passionate involvement is also in service of her commitment to advocate for better healthcare facilities and experiences for women.

Amita and her husband CK are both committed philanthropists, who support social development, healthcare delivery and the advancement of science, technology, education, art and culture through their family foundations and philanthropic initiatives.

CK Birla is the Chairman of the CK Birla Group, a large and diversified Indian conglomerate with global presence in three main industry clusters: Technology and Automotive, Home and Building solutions, and Healthcare & Education.

Under his leadership, the group has built enviable capabilities in engineering, technology and healthcare in addition to its core of manufacturing; and continues to be on an ambitious growth path led by world class technology, superior talent and operations excellence. The CK Birla group takes pride in its enduring partnerships with renowned global companies.

CK is a member of the governing body of the Confederation of Indian Industry, the Chairman of the board of governors at the Birla Institute of Technology (Mesra), and a member of the Board of Trustees of the Carnegie Endowment for International Peace.

Apart from leading a diverse and dynamic business portfolio, CK is a keen philanthropist committed to social development; the advancement of Science, Technology, Art and Culture and the preservation of heritage. The philanthropic contributions of the group manage several science and art museums, temples and an archaeological site, a University and schools. The Group, under the leadership of Chairman CK Birla and Co Chairman Amita Birla also works to improve the livelihoods of rural and underprivileged communities through its philanthropic outreach.

Ashok Kumar Barat had a long and distinguished executive career in the corporate sector. He has held leadership positions in various Indian and multinational organizations, both in India and overseas. Ashok is a Fellow of the Institute of Chartered Accountants of India, and of the Institute of Company Secretaries of India, Associate of the Institute of Chartered Accountants of England & Wales, and CPA, Australia. He has been an active contributor to public life and dialogue; Past President Bombay Chamber of Commerce and Industry, and of the Council of EU Chambers of Commerce in India, a former Trustee of the Mumbai Port Trust, and presently Member, Managing Committee of ASSOCHAM. He is a Certified Mediator empaneled with the Ministry of Corporate Affairs, Government of India. Ashok mentors budding entrepreneurs and advises companies on 'Strategy', 'Performance Improvement' and 'Governance Initiatives'. He is a member of the board of directors of several companies.

Anant Talaulicar holds a B.E. (Mechanical) degree from Mysore University, an M.S. (Mechanical) degree from the University of Michigan in Ann Arbor and an MBA from Tulane University, USA. Anant was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins Group in India from March 2004 through October 2017 and the President of the Cummins Inc. Components Group from 2010 through 2014. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well. He worked as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager before taking various general management positions. From 2004 through 2017, Anant has also led the Cummins India Foundation which has implemented sustainable community initiatives such as model villages and higher education. He has served as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association in the past. Currently, he is on the board of 7 Indian companies, trustee on 3 foundations and teaches part time at the S P Jain Institute of Management & Research.

Alka Bharucha holds B.A. (Hons.), L.L.B. (University of Bombay), L.L.M. (University of London), Solicitor, High Court (Mumbai) and Supreme Court of England and Wales. She is a Member of the Bar Council of Maharashtra and Goa and the Bombay Incorporated Law Society. She is also an Advocate on Record, Supreme Court of India. Alka began her career with Mulla & Mulla & Craigie Blunt & Caroe and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners which since inception has been ranked by RSG Consulting, London among the top law firms in India. For years, she has been ranked by Chambers Global, Legal 500 and Who's Who Legal, etc. amongst India's leading lawyers. She chairs the transactions practice at Bharucha & Partners. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Her general corporate work includes the establishment of mutual funds and

providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries. She has particular experience acting for financial services clients as well as those in the telecommunications, power and logistics sector and is also actively engaged in representing trans-national corporations for investments in retail, defense and manufacturing space.

Nandita Gurjar is a Technologist turned HR professional. Nandita's experience in mainstream IT spans software development, general management and consulting. She started her career at Wipro InfoTech in 1992 as a software programmer and handled multiple technical responsibilities, in various functions like Software Coding and Testing, Program documentation and Quality. She joined Infosys Limited in December 1999 to form the Learning & Development wing and set-up the Leadership institute. In 2003, she moved to the newly setup subsidiary Infosys BPO to head the HR function. In 2007, she took over as the Global Head HR for Infosys Group, managing over 150,000 employees. In this role she led the Infosys People strategy and Employer branding across its global footprint. She was appointed as a member of Executive Council in 2011 and moved to the US Headquarters to manage the globalization initiatives of the organization. In 2013, she moved to head the Education & Research wing of Infosys which skilled the workforce on latest technologies and over saw over 1 million days of training per year. In April 2014, she got selected for Advanced Management Program (AMP) at Harvard Business School. On her return she resigned from Infosys.

Nandita was a member of the World Economic Forum (WEF) – Global Advisory Council on New Models of Leadership. She is often invited to speak on HR strategy, work force management and business leadership. She has addressed several forums such as World Bank, Conference Board and Great Places to work, USA. She won the "Human Capital Business Leader" award from the Singapore Society of Human Resource Management and has also been featured as "25 Most Powerful Professional Women in India" in Business Today magazine.

Currently, she is an advisor to Startups and is an independent director in both listed and unlisted companies. She is an advisor to the Leadership Institute of SBI, India's largest bank and consults with organizations on HR strategies and execution.

Dharmender Kapoor ("DK") is the Chief Executive Officer ("CEO") & Managing Director ("MD") of the Company. DK has a Master's degree in Computers from Kurukshetra University, India, and is an industry-veteran with over 30 years of experience and is recognized as a potent thought leader in the IT industry.

DK joined Birlasoft in 2014 as its Chief Operating Officer ("COO") and in his role as the COO, DK managed the global delivery, business development and other enabling functions of the Company. As its COO, DK led the divestiture of Birlasoft's legacy business paving the way for a newer go-to-market and client engagement model for the Company. DK was elevated as the CEO & MD of the Company in 2019

and he has shaped the Company's strategy pivoted on the Enterprise to the Power of Digital™ framework, focusing on next-generation digital services offerings. He has also led the successful integration of the erstwhile Birlasoft and KPIT IT services businesses.

DK is known to be an exceptional leader, who takes pride in building leaders and competitive teams. He has a very keen eye on creating a balance between "fundamentals" to build organization's resilience and "transformation" to help the organization pursue non-linear growth. His in-depth technical skills and impressive experience in Transformation Services has helped Birlasoft develop key IPs (3rdEye, ValueISM, Enterprise Digital, etc.) in delivering differentiated value to its clients. He is a regular speaker at industry events and he also is an avid contributor in various publications through his thought leadership articles.

Painting, sharing his life lessons, reimagining and penning down his thoughts through blogs stem out of his creativity and demonstrate his passion towards life and work.

VI. OTHER DISCLOSURES

29. Related Party Transactions:

The Company has formulated a Policy on materiality of Related Party Transactions on dealing with Related Party Transactions and the same has been uploaded on the Company's website. The related party transactions are placed before the Audit Committee and/or the Board on a quarterly basis for their approval/noting as the case may be. There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, subsidiary or relatives except for those disclosed in the financial statements for the year ended March 31, 2022. None of these transactions had potential conflict with the interest of the Company. Details of all material transactions with related parties have been disclosed quarterly to the stock exchanges along with the compliance report on corporate governance.

30. Details of non-compliance:

During the past three years, there have been no penalties, strictures imposed on the Company by the stock exchanges and other statutory authorities, on any matter relating to capital markets.

31. Vigil Mechanism/Whistle Blower Policy:

The Company has adopted the Whistleblower Policy that lays down the principles and standards governing the actions of the Company and its employees. It encourages all its stakeholders to communicate and raise any behavior or practice, they may be aware of and suspect to be unethical, illegal, or otherwise inappropriate and harmful to the company. The Policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations of the Code of Ethics, Conduct & Professional responsibilities. There are adequate safeguards built in the whistle blower mechanism to

protect the Whistleblower from retaliation, reprisals, or victimization. This Policy has been uploaded on the website of the Company for effective circulation, reference of its stakeholders and global implementation. The purpose of this Policy is to establish procedures for:

1. to allow the Directors and employees/contractors/ 3rd Party service providers and other stakeholders to understand Organization policies and raise concerns about potential malpractices and/or any unethical activity and/or violation thereof;
2. to acknowledge, validate, investigate, and respond to complaints received by the Company regarding improper activities, financial or otherwise, in the Company;
3. channels for Whistleblower complaint on a confidential and/or anonymous basis, of concerns regarding improper activities; and
4. time bound fact-based independent investigations with defined actions for monitoring and reporting.

The Policy also aims to protect any Whistleblower who legitimately and in good faith raises concerns or provides information against improper activities.

Everyone in the Company is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this Policy. No employee or Director of the Company has the authority to engage in any conduct prohibited by this Policy. It is also hereby confirmed that no personnel has been denied access to the Audit Committee.

32. Code of Conduct:

The Company has adopted a comprehensive Code of Conduct for its Board members, senior management and all employees and this Code has been posted on the Company's website. During the year, there have been no material financial and commercial transactions made by the management, where they had personal interest conflicting with the interest of the Company at large. All the Board members and senior management personnel affirm compliance with the Code on an annual basis. The declaration of the CEO & Managing Director to this effect is provided in this Report.

33. Policy for determination of Materiality of Event or Information:

The Company has in place this Policy for determination of materiality of events or information which are required to be disclosed to the stock exchanges. This Policy is available on the website of the Company.

34. Code of Conduct of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS):

The Chief Investor Relations Officer deals with dissemination of information and disclosure of unpublished price sensitive information under the Policy and the said Policy is available on the website of the Company.

35. Prohibition of Insider Trading:

With a view to regulate trading in securities by the directors and designated persons, the Company has adopted a Code for prohibition of insider trading known as the Code to Regulate, Monitor and Report Trading by Designated Persons in Securities of Birlasoft Limited.

36. Role of Company Secretary:

The functions of the Company Secretary are discharged by Sneha Padve. She plays an important role in ensuring that the procedures are followed and regularly reviewed. She also 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 Company Secretary 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, to facilitate convening of meetings and interfaces between the management and regulatory authorities for governance matters.

37. Compliance with Mandatory Requirements:

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.

38. Compliance with Discretionary Requirements of the SEBI (LODR) Regulations, 2015:

1. The Company has separated posts of Chairman and the CEO & MD and the Chairman is a Non-Executive Director and she is not related to the CEO & MD.
2. The Chairman does not maintain her office at the Company's expenses. Further, the Chairman is allowed reimbursement of expenses incurred in performance of her duties.
3. The Company prepares quarterly investor updates which cover operational details apart from financial details. These updates are uploaded on the website of the Company and the stock exchanges.
4. There were no qualifications by the Statutory Auditors on the financial statements of the Company.
5. The Internal Auditor of the Company reports to the Audit Committee of the Board.

39. Subsidiary Companies:

As per the criteria given in Regulation 16 of the SEBI (LODR) Regulations, 2015, for the financial year 2022-23, the Company has 2 material subsidiaries, namely, Birlasoft Solutions Inc. and Birlasoft Inc. and has appointed an Independent Director on the Board of these subsidiaries.

Brief details of the Company's subsidiaries, including step-down subsidiaries are given in the Board's Report.

Following are the key matters relating to subsidiaries which are regularly taken up in the Audit Committee/Board meeting:

- Minutes of all the meetings of subsidiaries held in the previous quarter;
- Review of the financial statements, in particular the investments made by the subsidiaries;
- Major dealings of subsidiaries' investments, fixed assets, loans, etc.;
- Statement of all significant transactions and arrangements;
- Compliances by subsidiaries with all applicable laws.

The Company has formulated a policy for determining 'material subsidiaries' and the said policy has been uploaded on the Company's website.

40. 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 as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations, 2015.

41. Certificate by a Practising Company Secretary:

As required by Clause 10(i) mentioned in Part C of Schedule V of the SEBI (LODR) Regulations, 2015, a certificate has been received from Reshma Sarda-Vayase & Associates, Company Secretaries, 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 Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this Report.

42. Fees to the Statutory Auditor:

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W - 100022) have been appointed as the Statutory Auditor of the Company. The details of total fees for all services obtained in the year under review, by the listed entity and its subsidiaries, on a consolidated basis, from the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

| Particulars | Amount (in ₹ million) |
|--|--------------------------|
| Audit fees | 10.00 |
| Fees for limited review of quarterly results | 2.50 |
| Fees for other services | 0.68 |
| Out of pocket expenses reimbursed | 0.03 |
| Total | 13.21 |

43. Prevention of Sexual Harassment at Workplace:

There was 1 complaint which was received and resolved during the year. The mechanism for prevention of Sexual Harassment at Workplace is given elsewhere in this Annual Report.

44. Loans & Advances in the nature of loans to firms/companies in which Directors are interested:

During the year, the Company or its subsidiaries have not granted any loan or advances to any firms/companies in which Directors are interested.

45. Disclosures of the compliance with corporate governance requirements:

The Company has complied with the requirements as specified in Regulations 17 to 27 and Regulation 46 of the SEBI (LODR) Regulations, 2015, to the extent applicable. The weblinks for information uploaded on the website of the Company as required under Regulation 46 are given below.

| Particulars | Weblink |
|---|---|
| Details of business | https://www.birlasoft.com/ |
| Terms and conditions of appointment of Independent Directors | https://www.birlasoft.com/company/investors/corporate-governance |
| Composition of various Committees of Board of Directors | https://www.birlasoft.com/company/investors/corporate-governance |
| Code of Conduct of Board of Directors and senior management personnel | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Vigil mechanism/Whistle Blower Policy | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Policy on dealing with related party transactions | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Policy for determining 'material' subsidiaries | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Details of familiarization programmes imparted to Independent Directors | https://www.birlasoft.com/company/investors/corporate-governance |
| The email address for grievance redressal and other relevant details | https://www.birlasoft.com/company/investors |
| Contact information of the designated officials who are responsible for assisting and handling investor grievances | https://www.birlasoft.com/company/investors |
| Notice of Board meetings where financial results shall be discussed | https://www.birlasoft.com/company/investors/corporate-governance |
| Financial Results | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Annual Report | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Shareholding Pattern | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Schedule of analysts or institutional investors meet | https://www.birlasoft.com/company/investors/corporate-governance |
| Investor Presentations & Transcripts | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Newspaper Publications | https://www.birlasoft.com/company/investors/policies-reports-filings and https://www.birlasoft.com/company/investors/corporate-governance |
| Credit Ratings & any revision thereof | https://www.birlasoft.com/company/investors/corporate-governance |
| Subsidiary Report | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Secretarial Compliance Report | https://www.birlasoft.com/company/investors/corporate-governance |
| Disclosure of the policy for determination of materiality of events or information | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Disclosure of contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) | https://www.birlasoft.com/company/investors/corporate-governance |
| Dividend Distribution Policy | https://www.birlasoft.com/company/investors/policies-reports-filings |
| Annual Return as provided under the Act | https://www.birlasoft.com/company/investors/policies-reports-filings |

46. Disclosure of Accounting Treatment:

The Company has adopted the prescribed accounting standards i.e. Indian Accounting Standards ("Ind AS"), for preparation of financial statements during the year.

47. CEO and CFO Certification:

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO certificate to the Company's Board is annexed to this Report.

48. Compliance Certificate:

The Company has made the necessary disclosures as required in sub-para (2) to (10) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

As required by Regulation 34(3) read with Schedule V of the

SEBI (LODR) Regulations, 2015, a Certificate on Corporate Governance issued by the Statutory Auditor is annexed to this Report.

49. Annual Corporate Sustainability Report:

The Company has prepared Annual Corporate Sustainability Report giving detailed information on various projects undertaken by the Company & its efforts towards managing sustainable growth. The Report can be accessed on the Company's website.

50. Business Responsibility Report:

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, the Company has prepared a Business Responsibility Report and the same forms a part of this Annual Report.

DECLARATION OF THE CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

This is to certify that Birlasoft Limited ("the Company") has laid down Code of Ethics, Conduct & Professional Responsibility Policy ("the Code of Conduct") for all the Board members and senior management personnel of the Company and the same is uploaded on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

Further, I hereby certify that the members of the Board of Directors and senior management personnel have affirmed the compliance with the Code of Conduct applicable to them during the year ended March 31, 2022.

Noida
May 20, 2022

Dharmander Kapoor
CEO & Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF BIRLASOFT LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 24 October 2019 and addendum to the engagement letter dated 21 May 2022.
2. We have examined the compliance of conditions of Corporate Governance by Birlasoft Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as

applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. 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.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:
101248W/W-100022

Swapnil Dakshindas
Partner
Membership No:113896
UDIN: 22113896AJLKOX4181

Place : Pune
Date : 23 May 2022

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Dharamander Kapoor – CEO & Managing Director and Chandrasekar Thyagarajan – Chief Financial Officer of Birlasoft Limited ("the Company"), to the best of our knowledge and belief, certify that:

- A. We have reviewed the Financial Statements (standalone and consolidated) and the Cash Flow Statements (standalone and consolidated) for the year April 1, 2021 to March 31, 2022 and to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (2) 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.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year i.e. April 1, 2021 to March 31, 2022, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and

have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

- D. We have indicated to the Auditors and the Audit Committee:
 - (1) significant changes in internal control over financial reporting during the year i.e. April 1, 2021 to March 31, 2022;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dharamander Kapoor
CEO & Managing Director

Chandrasekar Thyagarajan
Chief Financial Officer

Noida
May 20, 2022

Pune
May 20, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulations 34(3) read with Schedule V, Para C, Sub clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To,
The Members,
Birlasoft Limited,
35 & 36, Rajiv Gandhi Infotech Park,
Phase - I, MIDC, Hinjawadi,
Pune - 411057.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Birlasoft Limited (L72200PN1990PLC059594) (the "Company")** having registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057, produced before me 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 and Exchange Board of India ("SEBI") (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number ("DIN") status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers; **I hereby confirm & certify that**, the Directors of the Company for the **Financial Year ending on March 31, 2022** as named below, have not been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of the Director | DIN | Date of appointment | Date of cessation |
|---------|-----------------------|----------|---------------------|-------------------|
| 1 | Mrs. Amita Birla | 00837718 | January 15, 2019 | - |
| 2 | Mr. Chandrakant Birla | 00118473 | January 15, 2019 | - |
| 3 | Mr. Ashok Kumar Barat | 00492930 | January 15, 2019 | - |
| 4 | Mr. Anant Talaulicar | 00031051 | August 23, 2003 | - |
| 5 | Ms. Alka Bharucha | 00114067 | May 23, 2018 | - |
| 6 | Ms. Nandita Gurjar | 01318683 | January 15, 2019 | - |
| 7 | Mr. Dharmander Kapoor | 08443715 | June 1, 2019 | - |

Ensuring the eligibility of 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.

Reshma Sarda-Vayase & Associates.
Company Secretaries,

CS Reshma Sarda-Vayase
FCS-5754 CP-4388
UDIN:F005754D000220727

Date:27-04-2022
Pune (MH India)

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L72200PN1990PLC059594
- Name of the Company:** Birlasoft Limited
- Registered address:** 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057.
- Website:** www.birlasoft.com
- E-mail ID:** contactus@birlasoft.com
- Financial year reported:** April 1, 2021 - March 31, 2022
- Sector(s) that the Company is engaged in (industrial activity code-wise):** Computer programming, consultancy and related activity - Code 62011
- List of three key products/services that the Company manufactures/provides (as in balance sheet):**
 - Business and Technology Transformation;
 - Cloud & Base Services; and
 - Enterprise Solutions.
- Total number of locations where business activity is undertaken by the Company:**

a) Number of international locations:

| Sr. No. | Region | Country |
|---------|--------|--|
| 1 | USA | United States of America, Mexico, Canada, Brazil |
| 2 | Europe | United Kingdom, Netherlands, France, Germany, Sweden, Switzerland, Poland, Slovakia, Spain |
| 3 | APAC | United Arab Emirates, Singapore, Malaysia, Australia, New Zealand |

b) Number of National Locations:

- Pune, Maharashtra;
- Noida, Uttar Pradesh;
- Mumbai, Maharashtra;
- Navi Mumbai, Maharashtra;
- Chennai, Tamil Nadu;

vi. Bengaluru, Karnataka; and

vii. Hyderabad, Telangana.

10. Markets served by the Company - Local/State/National/International:

The Company serves Indian as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid-up Capital (₹):** 558.99 million
- Total Turnover (₹):** 20,493.75 million
- Total profit after taxes (₹):** 2,960.48 million
- Total spending on Corporate Social Responsibility ("CSR"):**

Total spending on CSR is 2% of the average net profits of the past 3 years. For details, please refer the relevant Annexure to the Board's Report relating to Corporate Social Responsibility Activities, which forms part of this Annual Report.

5. List of activities in which expenditure in 4 above has been incurred:

List of CSR activities is given in the relevant Annexure to the Board's Report relating to Corporate Social Responsibility Activities, which forms part of this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/companies?

The Company has 14 subsidiaries (including step-down subsidiaries) as on March 31, 2022. Further details of the Company's subsidiaries are given in the Board's Report, which forms part of this Annual Report.

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).

Yes, two subsidiaries take up BR initiatives in line with the initiatives of the parent company and these are primarily based around the corporate BR to ensure alignment and consistency in approach. These cover CSR activities, Employee Welfare activities and awareness on PoSH Policy.

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? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

Yes, it is less than 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

| Sr. No. | Particulars | Details |
|---------|-------------|-------------------------|
| 1 | DIN | 08443715 |
| 2 | Name | Dharmander Kapoor |
| 3 | Designation | CEO & Managing Director |

b) Details of the BR head:

| Sr. No. | Particulars | Details |
|---------|------------------|--|
| 1 | DIN | 08443715 |
| 2 | Name | Dharmander Kapoor |
| 3 | Designation | CEO & Managing Director |
| 4 | Telephone number | +91-20-66525000 |
| 5 | E-mail ID | contactus@birlasoft.com |

2. Principle-wise (as per NVGs) BR Policy/policies:

a) Details of compliance (Reply in Y/N):

| Sr. 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. These policies have been formulated in line with respective regulations/national standards that are in effect from time to time. These policies are revisited on periodic basis and are updated as and when there is any change in the norms. | 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? These policies are signed by the respective owners. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 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 |

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|---------------------------|---------------------------|---|--|---------------------------|---------------------------|---|--|
| 6 | Indicate the link for the policy to be viewed online. | Code of conduct and Whistler Blower Policy https://www.birlasoft.com/company/investors/policies-reports-filings | Available on our intranet | Available on our intranet | CSR policy https://www.birlasoft.com/company/investors/policies-reports-filings | PoSH and Whistler Blower Policy https://www.birlasoft.com/company/investors/policies-reports-filings | Available on our intranet | Available on our intranet | CSR Policy https://www.birlasoft.com/company/investors/policies-reports-filings | Code of conduct https://www.birlasoft.com/company/investors/policies-reports-filings |
| 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 |

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----------------|----|
| 1 | The Company has not understood the principles | | | | | | | | | |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The Company does not have financial or manpower resources available for the task | | | | | | | | Not Applicable | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

c) Governance related to BR:

a. 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:

Activities such as CSR are assessed half-yearly and others are assessed annually.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the 'Annual Corporate Sustainability Report'. The same is available at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1****1. Does the policy relating to ethics, bribery and corruption cover only the Company?**

No, it also covers the Subsidiary companies.

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Code of Conduct outlines and creates a set of values for all concerned people to behave in an ethical manner while working for and on behalf of the Company. It takes into account factors like regulatory compliance, equal employment opportunity, non-harassment & prevention of sexual harassment, prevention of use of alcohol, illegal drug or medication, use of the Company's, Customers' and Suppliers' resources and competition.

It is applicable to all Directors and employees (all Birlasoft managers and employees, including managers and employees of its divisions, subsidiaries and other affiliates worldwide, as well as agents and contractors working on behalf of the Company, its subsidiaries and affiliates).

Prevention of Sexual Harassment ("PoSH") policy: The policy framework aims at educating employees on any sort of harassment (including sexual harassment) and report about it appropriately when seen or experienced at the workplace. All the cases are acted upon immediately and corrective actions are taken. E-learning on PoSH has been mandated for all employees.

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.

During the year, 3 (three) complaints were received. Out of which, 2 (two) were Investor complaints, the first complaint was for change of signature and updation of Bank details which was registered with National Stock Exchange of India Limited. The second complaint was a court case which pertains to non-receipt of share certificate. Further, 1 (one) complaint was reported under the PoSH mechanism.

All the above complaints were resolved and there are no pending complaints as on the end of the financial year.

Principle 2**1. List of upto 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is in the business of software development services and products. Hence, these products do not attract social or environmental concerns, risks and/or opportunities.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?****b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company is in the business of software development services and products. Therefore, these products require minimal usage of energy, water, raw material, etc.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Responsible sourcing is becoming an area of focus for the Company. Through collaboration with its business partners, the Company aims to enhance supplier relationships, ensure the highest quality standards and create a sustainable supply chain.

As a step towards contribution to sustainability, we have introduced electric vehicles into our transportation fleet in partnership with an industry pioneer in this domain. We have been one of the early adopters in using this technology for day to day transport operations and we look forward to contributing to the environment with this move. Electric Vehicles are environment friendly, have low running costs and pose a reduced risk of breakdowns. Operating electric vehicles will help us to achieve sustainability through reduction in our carbon footprint. To be specific, 10,000 electric KMs per month = 24 MT of CO2 emissions abated per year, which is equal to growing 360 trees per year. Currently, electric vehicles are plying at our Bengaluru, Hyderabad and Pune office.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Birlasoft supports local and small producers through its Corporate Social Responsibility activities.

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Birlasoft aims to create a need-based sustainable community driven model to provide a platform for developmental change in ecosystem. In consonance with this vision, Birlasoft supports local and small vendors through its "Joy of Giving" program. This is a platform to connect buyers with sellers. We also help small entrepreneurs in building their capacity through skill training and financial assistance.

5. Does the company have a mechanism to recycle products and 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.

The Company has taken the following initiatives to recycle products and waste:

- 60% of the water treated through sewage treatment plant and is recycled and used for gardening purpose.
- Waste generated such as paper, plastic, cardboard, steel, other metal, etc. are sent for recycling through authorized vendor.
- Municipal solid waste is sent through authorized vendor.
- Hazardous and e-waste generated in organization is disposed through government authorized recycler.

Principle 3**1. Please indicate the total number of employees.**

10,530 (including full time employees of the Company and employees hired through contractors and sub-contractors).

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

408

3. Please indicate the number of permanent women employees.

2,641 (including full time employees of the Company and employees hired through contractors and sub-contractors).

4. Please indicate the number of permanent employees with disabilities.

199 (including full time employees of the Company and employees hired through contractors and sub-contractors).

5. Do you have an employee association that is recognized by management?

No.

6. What percentage of your permanent employees are members of this recognized employee association?

Not Applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Sr. No. | Category | No. of complaints received during the financial year | No. of complaints received, pending at the end of financial year |
|---------|---|--|--|
| 1 | Child labour/ forced labour/ involuntary labour | Nil | Nil |
| 2 | Sexual harassment | 1 | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of above-mentioned employees were given safety & skill upgradation training in the last year?

As per process, the following trainings are mandatory to for all permanent employees of the Company:

- Code of Conduct and Anti-Bribery & Anti-Corruption;
- Prevention of Insider Trading;
- Data Privacy;
- Enterprise Risk Management;
- Information Security Awareness;
- Prevention of Sexual Harassment; and
- Fire Safety.

Principle 4**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. The Company has mapped its internal and external stakeholders and their mode of engagement is as below:

| Stakeholders | Mode of engagement |
|---------------------------------------|--|
| Government and regulatory authorities | Industry body/forums |
| Employees | Newsletters, employee satisfaction survey and various trainings, rewards and recognitions, meeting with eminent personalities and team building activities |
| Local community | CSR activities |
| Investors and shareholders | Analyst calls, AGM and Annual Report |
| Bankers, customers & vendors | Visits |

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

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.

Birlasoft supports marginalized farmers, women, and child from underprivileged community by providing financial assistance, imparting skills, capacity building, and encouraging entrepreneurship. On a regular basis, we undertake dedicated activities as a part of CSR initiatives for disadvantaged, vulnerable and marginalized stakeholders of the nation. We plan and execute our CSR projects based on the need assessment of the community in need. Our integrated approach and strong connect with beneficiaries at ground has ensured long sustainable engagement with stakeholders.

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 policies not only cover employees but also contractors, clients and others.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints relating to human rights were received during the financial year.

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?**

The Policy covers only the Company and does not extend to group/JVs, suppliers, contractors, NGOs and others.

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.

The Company endeavors to address global environmental issues through contribution in the following areas namely: Conservation of Energy, e-vehicles for commutations of employees, Waste Management, Environment Awareness and Occupational Health & Safety.

Conservation of Energy:

The Company has initiated many projects towards conservation of energy and water. Recently, one project which we have executed is replacement of HVAC system at SDB2 Building at the Company's Registered Office situated in Pune.

Highlights of the project:

- It will achieve reduction of approx. 100,000 kWh units p.a. power consumption considering full occupancy utilization of SDB2 building.
- It will also reduce approx. 80 tonnes of carbon emission p.a.
- The earlier system was 15 year old which was based on digital scroll technology now changed to inverter based technology.

Electric Vehicles:

As a step towards contribution to a greener environment and in line with Birlasoft's commitment to environmental sustainability, we have introduced electric vehicles into our transportation fleet in partnership with an industry pioneer in this domain. Details have been provided in foregoing paragraphs.

Waste Management:

Being an IT services company, there are no significant primary emissions or process wastes. Due to the nature of our business, waste generation is limited and restricted primarily to Municipal Solid Waste. Other wastes include e-waste and a small proportion of hazardous waste like waste lube oil, etc. Our waste management practice seeks to reduce the environmental impact of this limited waste to the maximum extent possible by reduction in generation and segregation at source.

E-waste Management:

Being an IT company, the Company generates e-waste like laptops, computers, monitors, servers, etc. Apart from this, we also generate e-waste like wires, switches, lamps, etc. The Company's waste management procedure is the defining guideline for handling all types of waste and complying with the Government and Maharashtra Pollution Control Board ("MPCB") norms.

Hazardous Waste:

Hazardous waste is disposed through authorized agencies as per the guidelines of Ministry of Environment, Forests and Climate Change.

Occupational Health and Safety Assessment Series ("OHSAS"):

The Company has always considered its employees as the most valuable asset of the organization. Towards this end,

the Company constantly undertakes initiatives to ensure the safety and wellbeing of its employees at workplace.

The Company engages its employee and third party vendors in various EOHS initiatives held in the organization. The hazard identification and risk assessment is carried out in consultation with relevant stakeholders, employees and third party vendors. The implemented controls are monitored and evaluated regularly to ensure employee safety all the time at workplace.

For details, please refer the relevant Annexure to the Board's Report relating to "Information on conservation of energy, technology absorption and foreign exchange earnings and outgo", which forms part of this Annual Report.

CSR Project – Shodhan:

Birlasoft's flagship award winning project Shodhan was incepted in 2017. It focuses on the villages of Haryana and Punjab, the two big states of India and major producers of rice. Shodhan objective is to reduce crop residue burning by educating the farmers. Till date, we have covered 84 villages of Punjab and Haryana, covering approx. 71000+ acres of farmable land. In collaboration with CII Foundation, local and corporate volunteers, we conduct awareness sessions to mobilize farmers and their families in the identified villages, orient them with new farming practices which obviate the need for stubble burning. Birlasoft is a recipient of the Grant Thornton "Social and Business Enterprise Responsible Awards" (GT SABERA) for three years and also won "Special Jury Award" from CSRBOX during the financial year.

3. Does the Company identify and assess potential environmental risks?

Yes, the Company has identified the potential environmental risks.

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?

No.

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.

Yes, please refer Questions 1, 2, 3 & 5 of Principle 2 of this Report.

The same is available at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions and the waste generated at the Company's Registered Office situated in Pune, is under the permissible limits of the MPCB. We have a continuous monitoring and tracking system in place which is reviewed periodically.

The Company's environmental policy is designed in line with the requirements of ISO standard 14001:2015.

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.

No show cause/legal notices were received from the CPCB/SPCB during the financial year.

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:

Yes, as follows:

- Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA);
- National Association of Software and Services Companies (NASSCOM);
- Hinjawadi Industries Association (HIA); and
- Society for Cyberabad Security Council (SCSC).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).

No.

Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, please refer Question 4 of Principle 2 and Question 3 of Principle 4 of this Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Birlasoft works in the areas of environment sustainability and women and child development with the support of various non-profit organizations/implementation agencies specialized in their respective domains and geographies.

CII Foundation, Smile Foundation, Bhumi Foundation, William J. Clinton Foundation are some of our esteemed implementation agencies associates with us for CSR projects. Some CSR activities are conducted internally as well.

3. Have you done any impact assessment of your initiative?

Yes. Voluntary impact assessment done for the Company's key CSR projects. For details, please refer the relevant Annexure to the Board's Report relating to Corporate Social Responsibility Activities which forms part of this Annual Report.

4. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?

For details, please refer the relevant Annexure to the Board's Report relating to Corporate Social Responsibility Activities which forms part of this Annual 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.

Birlasoft believes that regular and concurrent monitoring is critical to assess the progress of CSR projects. We have a mechanism of continuous feedback and mid-course implementation, whenever and wherever required. This assures effectiveness and efficiency of CSR activities undertaken. Additionally, we conduct pre and post assessment to observe the qualitative and quantitative impact of CSR activity. This helps in building the trust and confidence of community, thereby increases the acceptance of community development initiative.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The customer complaints are technology specific and get resolved at the appropriate level through the defined resolution process, at time of delivery of the Services/Software before contract closure. There are no customer complaints that are material in nature, as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

Since, the Company is in the business of software solutions, this requirement does not strictly apply to the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There are no cases related to unfair trade practices, irresponsible advertising and/or anti-competitive behavior pending against the Company.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

At Birlasoft, we take pride in keeping our customers happy. For understanding our customer's perception of our deliverables & services, we have Voice of Customer ("VOC") process which is driven at two levels i.e. Project and Engagement with a defined frequency of six months. Through this process, we capture customer's verbatim feedback which is analyzed to draw action points that are tracked to closure so that the VOC rating is improved over time. Best practices from Projects and Engagements receiving High VOC score is shared with Sr. Management and delivery leaders. Root cause analysis along with action plan for Low VOC score is also shared with higher management and delivery leaders to ensure that timely appropriate corrective action is taken.

Customer satisfaction is determined by Project VOC rating which is from 1 to 5 and WOW (Rating 1 being for dissatisfied and WOW being above 5 rating where customer is delighted with delivery which is beyond expectation). For the Engagement VOC rating is from 1 to 10 (Rating 1-6 is Detractor, 7-8 is Neutral & 9-10 is Promoters).

As per the performance of last cycle, 96% customers have rated us either WOW, Very satisfied/satisfied, overall VOC score is 4.56 out of 5, with 60% of response rate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Birlasoft Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Birlasoft Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

DESCRIPTION OF KEY AUDIT MATTER

Revenue recognition in respect of fixed price contracts (See note 1.2 and 29 to the standalone financial statements)

| The key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>The Company engages into fixed-price contracts with customers. In respect of fixed-price contracts other than maintenance and support service contracts, revenue is recognized using percentage of completion computed as per the input method. This is based on the Company's estimate of contract costs and efforts for completion of contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.</p> <p>Contract estimates are formed by the Company considering the following:</p> <ul style="list-style-type: none"> Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimates is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations. These contracts may involve onerous obligations on the Company requiring critical estimates to be made. Contracts are subject to modification to account for changes in contract specification and requirements. At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet representing the work completed, costs incurred and accrued. <p>Considering the significant estimate involved in recognition of revenue based on percentage of completion method in respect of fixed price contracts, we have considered this as key audit matter.</p> | <p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the systems, processes and controls implemented by the Company and evaluating the design and implementation of internal controls for measuring and recording revenue and the associated contract assets and unearned revenue. Testing the design and operating effectiveness of key IT controls over IT environment in which the business systems operate. This includes access controls, program change controls, program development controls and IT operation controls; For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognized in accordance with Ind AS by: <ul style="list-style-type: none"> Evaluating the identification of performance obligations. Agreeing the transaction price to the underlying contracts. Inspecting the approval of the estimates of cost to complete. Challenging the Company's estimate of contract cost through a retrospective comparison of costs incurred with budgeted costs. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. Assessing the work in progress (contract assets) on the balance sheet date by inspecting the underlying invoices and signed agreements on sample basis to identify possible delays in achieving milestones. Those may require change in estimated costs to complete the remaining performance obligations. Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred, and invoices raised on customers. Also, checked the related revenue, contract costs, provision for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the requirements of Ind AS 115. Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. We also performed analytical procedures on contract assets with little or no movement in invoicing from previous periods. |

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone 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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON)

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period 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, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive loss), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating

effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements. Refer Note 35 to the standalone financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in

the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of

the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner

Place: Pune
Date: 23 May 2022

Membership No. 113896
UDIN: 22113896AJLJIP5770

Annexure A to the Independent Auditor's report on the standalone financial statements of Birlasoft Limited for the year ended 31 March 2022

With reference to the Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022 we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company primarily engaged in rendering information technology and related services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees

in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services Tax, cess and other statutory dues were in arrears as at 31 March 2022, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Service tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the Statute | Nature of Dues | Forum where the dispute is pending | Period to which the amount relates | Amount demanded ₹ million | Amount paid under protest ₹ Million |
|----------------------|----------------|---|---|---------------------------|-------------------------------------|
| Income Tax Act, 1961 | Income Tax | Delhi High Court | 2003 – 2004 2005 – 2006 2007 – 2011 | 601.90 | - |
| Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | 2004 – 2005 2011 – 2012 2013 – 2014 | 8.15 | - |
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals) | 2008 – 2009 2010 – 2011 2017 – 2018 | 71.54 | 0.74 |
| Income Tax Act, 1961 | Income Tax | Assessing Officer of Income Tax | 2007 – 2012 | 110.53 | 1.04 |
| Finance Act, 1994 | Service Tax | Supreme Court | October 2006 - March 2014 | 469.65 | 12.99 |
| Finance Act, 1994 | Service Tax | Bombay High Court | 2006 – 2008 | 28.60 | - |
| Finance Act, 1994 | Service Tax | Central Excise and Service Tax Appellate Tribunal | April 2014 to March 2015 | 182.41 | 13.68 |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Act.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project, has been transferred to special account within a period of 30 days from the end of financial year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Place: Pune
Date: 23 May 2022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 22113896AJLJIP5770

Annexure B to the Independent Auditor's report on the standalone financial statements of Birlasoft Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

OPINION

We have audited the internal financial controls with reference to financial statements of Birlasoft Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an

understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Place: Pune
Date: 23 May 2022
Membership No. 113896
UDIN: 22113896AJLJIP5770

STANDALONE BALANCE SHEET

as at 31 March 2022

| | Note | 31 March 2022 | 31 March 2021 |
|--|------|------------------|------------------|
| (Amount in ₹ million) | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2A | 1,409.41 | 1,172.89 |
| Right-of-use assets | 2B | 974.19 | 1,005.98 |
| Capital work-in-progress | 2D | 16.99 | 65.42 |
| Other intangible assets | 2C | 93.48 | 104.85 |
| Intangible assets under development | 2D | 11.40 | - |
| Financial assets | | | |
| Investment | 3 | 4,204.01 | 3,663.34 |
| Other financial assets | 4 | 160.76 | 343.37 |
| Income tax assets (net) | | 133.75 | 239.51 |
| Deferred tax assets (net) | 5 | 384.71 | 435.74 |
| Other non-current assets | 6 | 49.89 | 49.05 |
| | | 7,438.59 | 7,080.15 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 7 | 7,141.17 | 5,709.51 |
| Trade receivables | | | |
| Billed | 8 | 2,705.48 | 2,130.43 |
| Unbilled | | 197.29 | 214.53 |
| Cash and cash equivalents | 9 | 512.76 | 1,560.87 |
| Other balances with banks and deposits | 9 | 922.13 | 612.71 |
| Other financial assets | 10 | 205.80 | 500.05 |
| Other current assets | 11 | 961.04 | 522.40 |
| | | 12,645.67 | 11,250.50 |
| TOTAL ASSETS | | 20,084.26 | 18,330.65 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 558.99 | 554.57 |
| Other equity | 27 | 15,330.22 | 13,376.28 |
| | | 15,889.21 | 13,930.85 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 13 | 799.71 | 865.26 |
| Provisions | 14 | 492.39 | 443.31 |
| | | 1,292.10 | 1,308.57 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 15 | | |
| Outstanding dues of micro enterprises and small enterprises | | 51.65 | 18.95 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | | 741.49 | 621.59 |
| Lease liabilities | 16 | 273.51 | 230.54 |
| Other financial liabilities | 17 | 1,091.98 | 1,059.82 |
| Other current liabilities | 18 | 401.03 | 672.28 |
| Provisions | 19 | 104.04 | 119.46 |
| Income tax liabilities (net) | | 239.25 | 368.59 |
| | | 2,902.95 | 3,091.23 |
| TOTAL EQUITY AND LIABILITIES | | 20,084.26 | 18,330.65 |
| Significant accounting policies | 1 | | |
| Notes referred to above form an integral part of the standalone financial statements | 2-40 | | |

As per our report of even date attached

For B S R & Co. LLP**Chartered Accountants****Firm Registration Number :101248W/W-100022****Swapnil Dakshindas**

Partner

Membership No. 113896

Place: Pune

Date: May 23, 2022

For and on behalf of the Board of Directors of**BIRLASOFT LIMITED****CIN: L72200PN1990PLC059594****Amita Birla**

Chairman

DIN: 00837718

Place: New Jersey

Date: May 23, 2022

Sneha Padve

Company Secretary

Place: Noida

Date: May 23, 2022

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place: New Jersey

Date: May 23, 2022

Chandrasekar Thyagarajan

Chief Financial Officer

Place: New Jersey

Date: May 23, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

| | Note | 31 March 2022 | 31 March 2021 |
|--|------|------------------|------------------|
| (Amount in ₹ million) | | | |
| Income | | | |
| Revenue from operations | 20 | 20,493.75 | 16,405.31 |
| Other income (net) | 21 | 741.32 | 119.50 |
| Total income | | 21,235.07 | 16,524.81 |
| Expenses | | | |
| Employee benefits expense | 22 | 13,749.59 | 10,657.92 |
| Finance costs | 23 | 107.18 | 102.38 |
| Depreciation and amortization expense | 2 | 685.10 | 699.43 |
| Other expenses | 24 | 2,724.90 | 2,192.84 |
| Total expenses | | 17,266.77 | 13,652.57 |
| Profit before tax | | 3,968.30 | 2,872.24 |
| Tax expense | 37 | | |
| Current tax | | 931.24 | 761.87 |
| Deferred tax (benefit)/charge | | 76.58 | 174.78 |
| Total tax expense | | 1,007.82 | 936.65 |
| Profit for the year | | 2,960.48 | 1,935.59 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit plans | | (35.26) | 1.20 |
| Income tax on items that will not be reclassified to profit or loss | | 8.88 | (0.31) |
| Items that will be reclassified to profit or loss | | | |
| Effective portion of gains / (losses) on hedging instruments in cash flow hedges | | (101.51) | 464.58 |
| Income tax on items that will be reclassified to profit or loss | | 25.55 | (145.70) |
| Total other comprehensive income | | (102.34) | 319.77 |
| Total comprehensive income for the year | | 2,858.14 | 2,255.36 |
| Earnings per equity share (face value per share ₹ 2 each) | | | |
| Basic | 34 | 10.62 | 6.96 |
| Diluted | 34 | 10.49 | 6.81 |
| Significant accounting policies | 1 | | |
| Notes referred to above form an integral part of the standalone financial statements | 2-40 | | |

As per our report of even date attached

For B S R & Co. LLP**Chartered Accountants****Firm Registration Number :101248W/W-100022****Swapnil Dakshindas**

Partner

Membership No. 113896

Place: Pune

Date: May 23, 2022

For and on behalf of the Board of Directors of**BIRLASOFT LIMITED****CIN: L72200PN1990PLC059594****Amita Birla**

Chairman

DIN: 00837718

Place: New Jersey

Date: May 23, 2022

Sneha Padve

Company Secretary

Place: Noida

Date: May 23, 2022

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place: New Jersey

Date: May 23, 2022

Chandrasekar Thyagarajan

Chief Financial Officer

Place: New Jersey

Date: May 23, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(Amount in ₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| A | | |
| Balance at the beginning of the year | 554.57 | 553.42 |
| Changes in equity share capital during the year | 4.42 | 1.15 |
| Balance at the end of the year | 558.99 | 554.57 |

B OTHER EQUITY

| Particulars | Share application money pending allotment | | | Reserves & surplus | | | Items of other comprehensive income | Total |
|--|---|----------------------------|-----------------------------|----------------------|-------------------|--|-------------------------------------|-----------------|
| | Capital redemption reserve | Securities premium reserve | Share based payment reserve | Amalgamation reserve | Retained earnings | Remeasurement of the net defined benefit Plans (Refer note 31) | | |
| Balance as on 1 April 2020 | - | 4,237.69 | 140.90 | 51.40 | 7,354.77 | (70.97) | (191.49) | 11,562.30 |
| Profit for the year | - | - | - | - | 1,935.59 | - | - | 1,935.59 |
| Other comprehensive income (net of tax) | - | - | - | - | 0.89 | - | - | 319.77 |
| Total comprehensive income for the year | - | - | - | - | 1,935.59 | 0.89 | 318.88 | 2,255.36 |
| Transactions with owners recognised directly in equity | | | | | | | | |
| Dividends | - | - | - | - | (554.23) | - | - | (554.23) |
| Share based payments to employees | - | - | 112.39 | - | - | - | - | 112.39 |
| Application money received during the year | 0.46 | - | - | - | - | - | - | 0.46 |
| Transfer from share based payment reserve | - | 53.67 | (53.67) | - | - | - | - | - |
| Balance as on 31 March 2021 | 0.46 | 4,291.36 | 199.62 | 51.40 | 8,736.13 | (70.08) | 127.39 | 13,376.28 |
| Balance as on 1 April 2021 | 0.46 | 4,291.36 | 199.62 | 51.40 | 8,736.13 | (70.08) | 127.39 | 13,376.28 |
| Profit for the year | - | - | - | - | 2,960.48 | - | - | 2,960.48 |
| Other comprehensive income (net of tax) | - | - | - | - | (26.38) | - | - | (102.34) |
| Total comprehensive income for the year | - | - | - | - | 2,960.48 | (26.38) | (75.96) | 2,858.14 |
| Transactions with owners recognised directly in equity | | | | | | | | |
| Dividends | - | - | - | - | (1,110.80) | - | - | (1,110.80) |
| Share based payments to employees | - | - | 132.06 | - | - | - | - | 132.06 |
| Application money received during the year | 78.96 | - | - | - | - | - | - | 78.96 |
| Issue of shares under ESOP scheme | (79.42) | 75.00 | - | - | - | - | - | (4.42) |
| Transfer from share based payment reserve | - | 92.65 | (106.53) | - | 13.88 | - | - | - |
| Balance as on 31 March 2022 | - | 4,459.01 | 225.15 | 51.40 | 10,599.69 | (96.46) | 51.43 | 15,330.22 |
| Significant accounting policies | 1 | | | | | | | |
| Notes referred to above form an integral part of the standalone financial statements | 2-40 | | | | | | | |

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm Registration Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: May 23, 2022

For and on behalf of the Board of Directors of

BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

Amita Birla

Chairman

DIN: 00837718

Place: New Jersey

Date: May 23, 2022

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place: New Jersey

Date: May 23, 2022

Chandrasekar Thyagarajan

Chief Financial Officer

Place: New Jersey

Date: May 23, 2022

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

(Amount in ₹ million)

| PARTICULARS | 31 March 2022 | 31 March 2021 |
|---|-------------------|-------------------|
| A] CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the year | 2,960.48 | 1,935.59 |
| Adjustments for | | |
| Income tax expense | 1,007.82 | 936.65 |
| (Profit)/Loss on sale of property, plant and equipment and intangible assets (net) | (19.10) | 0.50 |
| Depreciation and Amortization expenses | 685.10 | 698.58 |
| Interest expense | 107.18 | 102.38 |
| Interest income | (317.41) | (222.99) |
| Dividend income | (0.44) | (2.78) |
| Gain on sale/redemption of mutual funds | (34.39) | (3.79) |
| Fair value gain on financial assets (investments) at fair value through profit or loss | (2.74) | (3.19) |
| Provision for doubtful debts and advances (net) | 2.95 | 56.01 |
| Bad debts written off | 1.88 | 76.59 |
| Share based compensation expenses | 84.92 | 93.07 |
| Unrealised foreign exchange loss/(gain) | (4.82) | 83.85 |
| Operating Profit before working capital changes | 4,471.43 | 3,750.47 |
| Adjustments for changes in working capital: | | |
| Trade receivables and unbilled revenue | (560.20) | 1,728.48 |
| Other financial assets and other assets | (230.93) | 281.25 |
| Trade Payables | 154.98 | (135.23) |
| Other financial liabilities, other liabilities and provisions | (231.40) | 229.71 |
| Cash generated from operations | 3,603.88 | 5,854.68 |
| Income taxes paid | (954.82) | (313.49) |
| Net cash generated from operating activities (A) | 2,649.06 | 5,541.19 |
| B] CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment (including net movement in capital work in progress, capital advances and payables in respect of Property, Plant and equipment) | (603.91) | (235.05) |
| Proceeds from sale of property, plant and equipment | 19.94 | 1.28 |
| Purchase of bonds & index fund | (540.67) | - |
| Purchase of other investments | (15,809.41) | (10,070.64) |
| Sale of investments | 14,414.88 | 5,568.13 |
| Interest received | 334.35 | 150.99 |
| Dividend received | 0.44 | 2.78 |
| Bank Deposits placed | (2,368.90) | (9,063.20) |
| Proceeds from redemption of bank deposits | 2,245.68 | 9,210.64 |
| Net cash used in investing activities (B) | (2,307.60) | (4,435.07) |
| C] CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital and application money | 78.96 | 1.61 |
| Repayment of lease liabilities | (344.72) | (328.44) |
| Dividend paid | (1,110.82) | (553.93) |
| Interest and finance charges paid | (12.99) | (1.62) |
| Net cash used in financing activities (C) | (1,389.57) | (882.38) |
| Net Increase /(decrease) in cash and cash equivalents (A + B+ C) | (1,048.11) | 223.74 |
| Cash and cash equivalents at end of the year (refer note 1 below) | 512.76 | 1,560.87 |
| Cash and cash equivalents at beginning of the year (refer note 1 below) | 1,560.87 | 1,337.13 |
| Net (decrease)/increase in cash and cash equivalents during the year | (1,048.11) | 223.74 |

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

(Amount in ₹ million)

| PARTICULARS | 31 March 2022 | 31 March 2021 |
|---|---------------|-----------------|
| Note 1: | | |
| Cash and cash equivalents include: | | |
| Cheques in Hand | 0.02 | 2.21 |
| Balance with banks | | |
| - In current accounts | 510.56 | 508.66 |
| - In deposit account (with original maturity of 3 months or less) | 2.18 | 1,050.00 |
| Total Cash and cash equivalents | 512.76 | 1,560.87 |

Note 2:

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind-AS) 7 on Statement of cash flows.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: May 23, 2022

**For and on behalf of the Board of Directors of
BIRLASOFT LIMITED**

CIN: L72200PN1990PLC059594

Amita Birla

Chairman

DIN: 00837718

Place: New Jersey

Date: May 23, 2022

Sneha Padve

Company Secretary

Place: Noida

Date: May 23, 2022

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place : New Jersey

Date: May 23, 2022

Chandrasekar Thyagarajan

Chief Financial Officer

Place: New Jersey

Date: May 23, 2022

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

COMPANY OVERVIEW

Birlasoft Limited ("the Company") is a public limited Company incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company's registered office is in Pune and it has subsidiaries and branches across multiple geographies.

The Company provides Software Development, global IT consulting to its clients, predominantly in Banking, Financial Services and Insurance, Life Sciences and Services, Energy Resources and Utilities and Manufacturing (which mainly includes Discrete Manufacturing, Hi-Tech & Media, Auto and Consumer packaged goods) verticals.

These financial statements were authorized for issue by the Company's Board of Directors on 23 May 2022.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of standalone financial statements

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. The standalone financial statements are presented in millions of Indian rupees rounded off to two decimal places, except per share information, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis except share based payments, defined benefit obligations and certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Use of estimates

The preparation of standalone financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

a. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income tax & Deferred tax

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c. Measurement of defined benefit obligation, key actuarial assumptions and share based payments

Information about assumptions and estimation uncertainties in respect of defined benefit obligation and share based payment are given in note 31 and note 36 respectively.

d. Business combinations

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.

e. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

f. Impairment of investment in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

1.1 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is twelve months.

1.2 Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, integrated portfolio of IT.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- Revenue from third party software is recognized upfront at the point in time when software is delivered to the customer, such revenue is recognized on net basis when the Company is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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The Company recognizes contract fulfillment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Unearned revenue ("contract liability") is recognized when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment

for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

1.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

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The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

1.4 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

The Company does not have any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.6 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The management's estimates of the useful lives of various assets for computing depreciation are as follows:

| Type of asset | Useful life (No. of years) |
|------------------------|-------------------------------|
| Buildings | 25 |
| Plant and equipment | 4 |
| Office Equipment | 10 |
| Owned Vehicle | 5 |
| Furniture and fixtures | 8 |

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013. 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.

Right of use assets are amortised over shorter of useful lives and period of lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.7 Impairment

a. Financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets

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is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recorded as an impairment gain or loss in Statement of Profit and Loss.

b. Non- financial assets

Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

1.8 Leases

The Company primarily has leased rental offices premises, guest house, parking space, laptops etc across multiple locations.

At the inception of contract the Company assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Company as a lessee

1. Recognition and measurement

The Company recognises the right of use asset and lease liability at the commencement date of lease. The right of use asset is initially measured at cost, which comprises of present value of future lease rent payouts adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. The Company generally uses incremental borrowing rate as discount rate. The right-of-use assets is depreciated using the straight-line method from the commencement date over the useful life of right-of-use asset.

The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured to reflect any lease modifications or reassessments.

2. Extension and termination of lease

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an

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economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3. Short term leases and low value assets

The Company has elected not to recognise right of use of assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over lease term.

4. Impairment testing for right of use of assets

Right of use assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

1.9 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.10 Foreign currency transactions

a. Functional and presentation currency

Indian Rupee is the Company's functional as well as presentation currency.

- b. Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

c. Translation of foreign operations

For translating the financial statements of foreign branches, their functional currencies are determined. The results and the financial position of the foreign branches are translated into presentation currency so that the foreign operation could be included in the standalone financial statements.

1.11 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

1.12 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates for the purposes of current and deferred tax have been determined on the basis of Company's evaluation of acceptability of its tax positions by the taxation authorities.

1.13 Provisions, Contingent liabilities and Contingent assets

The Company recognizes provisions only when it has a present legal or constructive obligation 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 when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognized for –

- Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- Present obligations that arise from past events but are not recognized because-
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

Decommissioning Liability

The Company uses various premises on lease to run its operation and records a provision for decommissioning

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costs to be incurred for the restoration of these premises at the end of the lease period. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as an interest expense. The estimated future costs of decommissioning and interest rate are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

1.14 Research and development:

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognized as an intangible asset in accordance with policy defined in 1.5.

1.15 Employee stock option

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.16 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

1.17 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. 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 or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model 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 or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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ii) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Company does not use derivative financial instruments for speculative purposes.

The counter-party to the Company's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognized in cash flow hedging

reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognized in Other Comprehensive Income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit or Loss and Other Comprehensive Income.

c. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value of financial instruments

The Company uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP), where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realized.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

Fair value measurements

The Company measures financial instruments, such as, derivatives and investments in mutual funds at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured 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:

- a. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. 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 Standalone 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.

The Company's finance team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The team comprises of the head of the treasury operation and chief finance officer.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to

contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18 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 the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

1.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.20 Business combinations

a. Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Impact of any changes in the purchase consideration, after the measurement period, is recorded in the Statement of Profit and Loss.

b. Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent

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liabilities of the acquire. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the Statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

- c. Business combinations arising from transfer of interests in entities that are under the control of the shareholder that control the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between consideration and the amount of share capital of required entity is transferred to capital reserve.

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(Amount in ₹ million)

2A PROPERTY, PLANT AND EQUIPMENT

| | Building | Leasehold improvements | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipments | Total |
|---|---------------|------------------------|---------------------|------------------------|-------------|-------------------|-----------------|
| Gross carrying amount as at 1 April 2020 | 386.04 | 984.40 | 1,203.35 | 126.15 | 5.62 | 340.97 | 3,046.53 |
| Additions | 2.83 | 20.13 | 151.44 | 0.77 | - | 11.46 | 186.63 |
| Disposal/retirements/derecognition | - | - | - | 0.45 | - | 7.09 | 7.54 |
| Gross carrying amount as at 31 March 2021 | 388.87 | 1,004.53 | 1,354.79 | 126.47 | 5.62 | 345.34 | 3,225.62 |
| Accumulated depreciation as at 1 April 2020 | 105.55 | 380.66 | 937.54 | 83.60 | 5.04 | 185.48 | 1,697.87 |
| Depreciation | 20.55 | 139.40 | 163.00 | 10.47 | 0.19 | 27.01 | 360.62 |
| Disposal/retirements/derecognition | - | - | - | 0.22 | - | 5.54 | 5.76 |
| Accumulated depreciation as at 31 March 2021 | 126.10 | 520.06 | 1,100.54 | 93.85 | 5.23 | 206.95 | 2,052.73 |
| Gross carrying amount as at 1 April 2021 | 388.87 | 1,004.53 | 1,354.79 | 126.47 | 5.62 | 345.34 | 3,225.62 |
| Additions | - | 9.35 | 522.40 | - | 2.63 | 63.00 | 597.38 |
| Disposal/retirements/derecognition | - | - | 109.50 | 2.72 | - | 62.36 | 174.58 |
| Gross carrying amount as at 31 March 2022 | 388.87 | 1,013.88 | 1,767.69 | 123.75 | 8.25 | 345.98 | 3,648.42 |
| Accumulated depreciation as at 1 April 2021 | 126.10 | 520.06 | 1,100.54 | 93.85 | 5.23 | 206.95 | 2,052.73 |
| Depreciation | 20.63 | 133.20 | 167.55 | 10.24 | 0.21 | 28.19 | 360.02 |
| Disposal/retirements/derecognition | - | - | 109.34 | 2.62 | - | 61.78 | 173.74 |
| Accumulated depreciation as at 31 March 2022 | 146.73 | 653.26 | 1,158.75 | 101.47 | 5.44 | 173.36 | 2,239.01 |
| Carrying amount as at 31 March 2021 | 262.77 | 484.47 | 254.25 | 32.62 | 0.39 | 138.39 | 1,172.89 |
| Carrying amount as at 31 March 2022 | 242.14 | 360.62 | 608.94 | 22.28 | 2.81 | 172.62 | 1,409.41 |

2B RIGHT-OF-USE ASSETS

| | Office Premises | Land | Total |
|---|-----------------|--------------|-----------------|
| Gross carrying amount as at 1 April 2020 | 1,426.76 | 75.16 | 1,501.92 |
| Additions | 66.32 | - | 66.32 |
| Disposal/retirements/derecognition | 34.11 | - | 34.11 |
| Gross carrying amount as at 31 March 2021 | 1,458.97 | 75.16 | 1,534.13 |
| Accumulated depreciation as at 1 April 2020 | 264.25 | 11.87 | 276.12 |
| Depreciation | 265.20 | 2.48 | 267.68 |
| Disposal/retirements/derecognition | 15.65 | - | 15.65 |
| Accumulated depreciation as at 31 March 2021 | 513.80 | 14.35 | 528.15 |
| Gross carrying amount as at 1 April 2021 | 1,458.97 | 75.16 | 1,534.13 |
| Additions | 236.42 | - | 236.42 |
| Disposal/retirements/derecognition | 146.25 | - | 146.25 |
| Gross carrying amount as at 31 March 2022 | 1,549.14 | 75.16 | 1,624.30 |
| Accumulated depreciation as at 1 April 2021 | 513.80 | 14.35 | 528.15 |
| Depreciation | 265.72 | 2.48 | 268.20 |
| Disposal/retirements/derecognition | 146.25 | - | 146.25 |
| Accumulated depreciation as at 31 March 2022 | 633.27 | 16.83 | 650.10 |
| Carrying amount as at 31 March 2021 | 945.17 | 60.81 | 1,005.98 |
| Carrying amount as at 31 March 2022 | 915.86 | 58.33 | 974.19 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

2C OTHER INTANGIBLE ASSETS

| | Internally Generated | Other than Internally Generated | Total |
|---|--------------------------|---------------------------------|---------------|
| | Product Development Cost | Software | |
| Gross carrying amount as at 1 April 2020 | 158.89 | 809.15 | 968.04 |
| Additions | - | 15.01 | 15.01 |
| Disposal/retirements/derecognition | - | - | - |
| Gross carrying amount as at 31 March 2021 | 158.89 | 824.16 | 983.05 |
| Accumulated depreciation as at 1 April 2020 | 131.52 | 676.40 | 807.92 |
| Depreciation | 18.83 | 51.45 | 70.28 |
| Disposal/retirements/derecognition | - | - | - |
| Accumulated depreciation as at 31 March 2021 | 150.35 | 727.85 | 878.20 |
| Gross carrying amount as at 1 April 2021 | 158.89 | 824.16 | 983.05 |
| Additions | - | 45.51 | 45.51 |
| Disposal/retirements/derecognition | 3.35 | 139.53 | 142.88 |
| Gross carrying amount as at 31 March 2022 | 155.54 | 730.14 | 885.68 |
| Accumulated depreciation as at 1 April 2021 | 150.35 | 727.85 | 878.20 |
| Depreciation | 8.39 | 48.49 | 56.88 |
| Disposal/retirements/derecognition | 3.35 | 139.53 | 142.88 |
| Accumulated depreciation as at 31 March 2022 | 155.39 | 636.81 | 792.20 |
| Carrying amount as at 31 March 2021 | 8.54 | 96.31 | 104.85 |
| Carrying amount as at 31 March 2022 | 0.15 | 93.33 | 93.48 |

2D CAPITAL WORK IN PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT

| | 31 March 2022 | 31 March 2021 |
|-------------------------------------|---------------|---------------|
| Capital work in progress | 16.99 | 65.42 |
| Intangible assets under development | 11.40 | - |

- All the items in capital work in progress are less than one year as at 31st March 2022 and 31st March 2021.
- There are no projects under progress/ development, whose completion is overdue or has exceeded its cost as compared to its original plan.
- There are no projects which are temporarily suspended as on 31 March 2022 and 31st March 2021.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

3 INVESTMENT

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Investments (Unquoted) | | |
| Investments in equity instruments of subsidiaries (at cost) | | |
| Birlasoft Computer Corporation, USA | 469.36 | 469.36 |
| A wholly owned subsidiary company incorporated in USA [204,082 (Previous year 204,082) common stock of issued equity, no par value] | | |
| Birlasoft Solutions ME FZE | 25.41 | 25.41 |
| A wholly owned subsidiary company incorporated in Dubai [1 (Previous year 1) equity share of nominal value of AED 1,000,000] | | |
| Birlasoft Solutions Inc, USA | 2,879.17 | 2,879.17 |
| A wholly owned subsidiary company incorporated in USA [12,467 (Previous year 12,467) Equity stock without par value fully paid-up] | | |
| Birlasoft Inc, USA | 25.90 | 25.90 |
| A wholly owned subsidiary company incorporated in USA [10,000,000 (Previous year 10,000,000) Equity shares of par value USD 0.05 each fully paid up] | | |
| Birlasoft Solutions France | 215.97 | 215.97 |
| A wholly owned subsidiary company incorporated in France [100,000 (Previous year: 100,000) Equity stock of Euro 1 each fully paid-up] | | |
| Birlasoft Solutions Ltda | 0.04 | 0.04 |
| A subsidiary of Birlasoft Solutions Inc [1,000 (Previous year 1,000) shares of Brazilian Reas 1 each fully paid-up] | | |
| Birlasoft Sdn Bhd | 0.00* | 0.00* |
| A wholly owned subsidiary company incorporated in Malaysia [5,000 (Previous year 5,000) equity shares of MYR 1 each fully paid-up] | | |
| Birlasoft Solutions Limited | 47.49 | 47.49 |
| A wholly owned subsidiary company incorporated in UK [50,000 (Previous year 50,000) Equity Shares of £ 1 fully paid-up] | | |
| Investments in bonds (valued at amortized cost)(unquoted) | | |
| NABARD Bonds | 100.17 | - |
| Kotak Bonds | 199.32 | - |
| Sundaram Bond | 100.00 | - |
| L&T Bonds | 101.18 | - |
| Investments in Index funds measured at amortised cost (quoted) | | |
| 3,938,206 Units (Previous Year Nil units) ABSL Nifty SDL PSU Bond Sep 2026 RG | 40.00 | - |
| | 4,204.01 | 3,663.34 |
| Note: | | |
| Aggregate value of quoted investment | 40.00 | - |
| Aggregate Market value of quoted investment | 40.04 | - |
| Aggregate value of unquoted investment | 4,164.01 | 3,663.34 |

* Since denominated in ₹ Million

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

4 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|---------------------------|---------------|---------------|
| Security deposits | 127.98 | 136.98 |
| Fixed deposits with banks | 19.93 | 206.23 |
| Interest accrued | 12.85 | 0.16 |
| | 160.76 | 343.37 |

Note:

Information about the Company's exposure to interest rate risk and liquidity risk is disclosed in note 25.

5 DEFERRED TAX ASSETS

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Deferred tax assets | | |
| - Provision for doubtful debts and advances | 60.72 | 62.93 |
| - Provision for compensated absences | 62.44 | 53.25 |
| - Provision for gratuity | 85.44 | 85.43 |
| - Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation/ amortisation as provided under income-tax law | 81.86 | 103.49 |
| - Transaction Cost | 54.64 | 109.10 |
| - Provision for Indirect tax | 0.03 | 0.15 |
| - Bonus Payable | 3.36 | 3.48 |
| - Right of Use Assets | 270.11 | 275.81 |
| - Others (mainly includes employee related provision) | 14.43 | 22.84 |
| - Other provisions | 0.99 | - |
| | 634.02 | 716.48 |
| Deferred tax liabilities | | |
| - Forward contracts designated as cash flow hedges | 17.30 | 42.84 |
| - Right-of-use assets | 230.52 | 237.90 |
| - Investments in MF at fair value through Profit and Loss Account | 1.49 | - |
| | 249.31 | 280.74 |
| Net deferred tax asset | 384.71 | 435.74 |

6 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Capital advances | - | 2.24 |
| Prepaid expenses | 2.28 | 3.32 |
| Contract Fulfillment Cost | 47.61 | 18.85 |
| Balance in Group Gratuity Trust Account | - | 24.64 |
| | 49.89 | 49.05 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

7 CURRENT INVESTMENTS

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Investments in equity instruments of other entities measured at fair value through Profit or Loss (unquoted) | | |
| Saraswat Co-operative Bank Limited | 0.00* | 0.00* |
| 1 (Previous year 1) equity share of ₹ 10 each fully paid up | | |
| Investments in Mutual funds measured at fair value through Profit or Loss (quoted) | | |
| 730,053 Units (Previous Year Nil units)-Aditya Birla Sun Life Saving Fund - Growth | 321.46 | - |
| 26,530 units (Previous Year Nil units)-Kotak Overnight Fund Growth | 30.00 | - |
| 1,069,594 units (Previous year Nil units)-ICICI Prudential Money Market Fund- Growth | 325.41 | - |
| 29,692,224 Units (Previous Year Nil units)-HDFC Ultra Short Term Fund -Regular Growth | 364.55 | - |
| 5,943,328 Units (Previous Year Nil units)-SBI Saving Fund -Regular Growth | 200.25 | - |
| Nil units (Previous Year 53,904 units)-L&T Liquid Fund Regular Growth | - | 151.27 |
| Nil units (Previous Year 36,381 units)-Kotak Liquid Regular Plan-Growth | - | 150.65 |
| Nil units (Previous year 495,072 units)-ICICI Prudential Liquid Fund -Direct Plan Growth | - | 150.03 |
| Nil Units (Previous Year 307,372 Units)-Aditya Birla Sun Life Liquid Fund - Direct Plan Growth | - | 101.22 |
| Term deposits with financial institutions (carried at amortised cost) (unquoted) | 5,899.50 | 5,156.34 |
| | 7,141.17 | 5,709.51 |
| Note: | | |
| Aggregate value of quoted investment | 1,241.67 | 553.17 |
| Aggregate market value of quoted investment | 1,241.67 | 553.17 |
| Aggregate value of unquoted investment | 5,899.50 | 5,156.34 |

*Since denominated in ₹ Million

8 TRADE RECEIVABLES

(Unsecured)

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Billed | | |
| Trade Receivables considered good | 2,705.48 | 2,130.43 |
| Trade Receivables - credit impaired | 208.40 | 202.78 |
| | 2,913.88 | 2,333.21 |
| Less: Allowances for bad and doubtful trade receivables | 208.40 | 202.78 |
| | 2,705.48 | 2,130.43 |

Notes:

- Trade receivables from related parties are disclosed in note 26.
- The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 25.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Ageing of Trade Receivables as on 31st March 2022 is as below:

| Particulars | Outstanding from due date of payment | | | | | Total |
|---|--------------------------------------|-------------------|--------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade Receivables - Billed | | | | | | |
| Undisputed - considered good | 2,522.53 | 292.13 | 38.37 | 56.58 | - | 2,909.61 |
| Undisputed - which have significant increase in credit risk | - | - | - | 0.28 | 3.99 | 4.27 |
| Undisputed - credit impaired | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - |
| Disputed - which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - |
| | 2,522.53 | 292.13 | 38.37 | 56.86 | 3.99 | 2,913.88 |
| Less : Allowance for bad and doubtful receivables billed | | | | | | (208.40) |
| | | | | | | 2,705.48 |
| Trade Receivables - Unbilled | | | | | | 197.29 |
| | | | | | | 2,902.77 |

Ageing of Trade Receivables as on 31st March 2021 is as below:

| Particulars | Outstanding from due date of payment | | | | | Total |
|---|--------------------------------------|-------------------|---------------|-------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade Receivables - Billed | | | | | | |
| Undisputed - considered good | 1,986.72 | 183.42 | 154.28 | - | - | 2,324.42 |
| Undisputed - which have significant increase in credit risk | - | - | 4.08 | 3.33 | 1.38 | 8.79 |
| Undisputed - credit impaired | - | - | - | - | - | - |
| Disputed - considered good | - | - | - | - | - | - |
| Disputed - which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - |
| | 1,986.72 | 183.42 | 158.36 | 3.33 | 1.38 | 2,333.21 |
| Less : Allowance for bad and doubtful receivables billed | | | | | | (202.78) |
| | | | | | | 2,130.43 |
| Trade Receivables - Unbilled | | | | | | 214.53 |
| | | | | | | 2,344.96 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

9 CASH AND BANK BALANCES

| | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Cash and cash equivalents | | |
| - Cheques in hand | 0.02 | 2.21 |
| Balances with banks | | |
| - In current accounts | 510.56 | 508.66 |
| - In deposit accounts (with original maturity of 3 months or less) | 2.18 | 1,050.00 |
| | 512.76 | 1,560.87 |
| Other bank balances and deposits | | |
| - Current Account (unclaimed dividend) | 8.16 | 8.26 |
| - Deposit Account with remaining maturity of less than 12 months (Refer note ii below) | 913.97 | 604.45 |
| | 922.13 | 612.71 |
| | 1,434.89 | 2,173.58 |

Note:

- Information about the Company's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25.
- Bank deposits include ₹ 50.85 million held as deposits against performance guarantees issued to customers.
- Unclaimed dividend- There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

10 OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|---------------------------------|---------------|---------------|
| Security deposits | 23.72 | 27.24 |
| Interest accrued | 88.65 | 118.28 |
| Forward contracts | | |
| - designated as cash flow hedge | 68.73 | 170.23 |
| Receivable from Subsidiaries | 24.41 | 88.21 |
| Other Receivable | 0.29 | 96.09 |
| | 205.80 | 500.05 |

Note:

- Information about the Company's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25.

11 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Contract assets -from fixed price contracts (Refer note 29(b)) | 87.02 | 77.40 |
| Advance to suppliers | 24.88 | 16.54 |
| Employee Advances | 26.75 | 22.24 |
| Balances with statutory authorities | 392.03 | 173.33 |
| Prepaid expenses | 368.80 | 230.43 |
| Contract Fulfillment Cost | 61.56 | 2.46 |
| | 961.04 | 522.40 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

12 EQUITY SHARE CAPITAL

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Authorised: | | |
| 870,000,000 (Previous year 870,000,000) equity shares of ₹ 2 each. | 1,740.00 | 1,740.00 |
| | 1,740.00 | 1,740.00 |
| Issued subscribed and fully paid up: | | |
| 279,496,082 (Previous year 277,286,094) equity shares of ₹ 2 each fully paid up | 558.99 | 554.57 |
| | 558.99 | 554.57 |

12.1 The Company declares and pays dividends in Indian rupees. Interim dividend of ₹ 1.50 per share (previous year ₹ 1.00 per share) of face value of ₹ 2 per share was declared by Board of Directors for previous year in their meeting held on October 26, 2021.

The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2022 by the Board of Directors in their meeting held on 23 May 2022 is ₹ 3 per share (Previous year ₹ 2.50 per share) and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividends during the year ended 31 March 2022 include ₹ 2.50 per share towards final dividend for the year ended 31 March 2021 and ₹ 1.50 per share towards interim dividend for the year ended 31 March 2022. Dividends during the year ended 31 March 2021 include ₹ 1 per share towards final dividend for the year ended 31 March 2020 and ₹ 1 per share towards interim dividend for the year ended 31 March 2021.

12.2 The Board of Directors at its meeting held on May 23, 2022, has approved a proposal to buy-back upto 7,800,000 fully paid equity shares of ₹ 2/- each of the Company for an aggregate amount not exceeding ₹ 3,900 million being 2.79% of the total paid up equity share capital at ₹ 500/- per equity share subject to the approval of the members.

12.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.4 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

| | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|---------------|---------------------|---------------|
| | Number of shares | ₹ in million | Number of shares | ₹ in million |
| Equity shares | | | | |
| At the beginning of the year | 277,286,094 | 554.57 | 276,708,577 | 553.42 |
| Add: Shares issued under employee stock options plan | 2,209,988 | 4.42 | 577,517 | 1.15 |
| Outstanding at the end of the year | 279,496,082 | 558.99 | 277,286,094 | 554.57 |

12.5 The Company has only one class of shares referred to as equity shares having a par value of ₹ 2 each. Each shareholder of equity shares is entitled to one vote per share.

12.6 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

| Name of the shareholders | Number of shares as at 31 March 2022 | % of shares held | Number of shares as at 31 March 2021 | % of shares held |
|---|--------------------------------------|------------------|--------------------------------------|------------------|
| National Engineering Industries Limited | 107,736,274 | 38.55% | 107,736,274 | 38.85% |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

12.7 Number of equity shares held by promoters in the Company are as follows:

| Name of the shareholders | Number of shares as at 31 March 2022 | % of shares held | Number of shares as at 31 March 2021 | % of shares held | % change during the year |
|--|--------------------------------------|------------------|--------------------------------------|------------------|--------------------------|
| National Engineering Industries Limited* | 107,736,274 | 38.55% | 107,736,274 | 38.85% | -0.30% |
| Central India Industries Ltd* | 5,169,511 | 1.85% | 5,169,511 | 1.86% | -0.01% |

*% change due to ESOP allotment during the year.

12.8 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date - NIL (Previous year: Nil)

12.9 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

- (i) 76,645,066 equity shares of ₹ 2 each were allotted as fully paid-up pursuant to Composite scheme of arrangement.

12.10 Capital Management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain investor, creditor and market confidence and to maximize shareholder value. In order to fulfil its objective, the management of the Company monitors the return on capital as well as the level of dividends to ordinary shareholders.

13 LEASE LIABILITIES -NON CURRENT

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Lease liabilities (Refer note 33) | 799.71 | 865.26 |
| | 799.71 | 865.26 |

Notes:

- (i) Information about the Company's exposure to foreign currency risk, interest rate risk and liquidity risk is disclosed in note 25.

14 PROVISIONS -NON CURRENT

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Provision for employee benefits | | |
| - Compensated absences | 186.82 | 158.48 |
| - Gratuity fund plan liabilities (Refer note 31(2)) | 301.65 | 281.42 |
| Other provisions | | |
| - Provision for lease restoration costs (Refer Note 35(2)) | 3.92 | 3.41 |
| | 492.39 | 443.31 |

15 TRADE PAYABLES

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 28) | 51.65 | 18.95 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 741.49 | 621.59 |
| | 793.14 | 640.54 |

Notes:

- (i) Information about the Company's exposure to foreign currency risk and liquidity risk is disclosed in note 25.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Ageing of Trade Payables as on 31st March 2022 is as below:

| Particulars | Accrued Expenses | Outstanding for the following periods from due date of payment | | | | Total |
|----------------------|------------------|--|-------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Disputed due - MSME* | - | - | - | - | - | - |
| MSME | - | 51.65 | - | - | - | 51.65 |
| Disputed due - Other | - | - | - | - | - | - |
| Other | - | 119.88 | 1.20 | 6.32 | 0.10 | 127.50 |
| Accrued expenses | 613.99 | - | - | - | - | 613.99 |
| Total | 613.99 | 171.53 | 1.20 | 6.32 | 0.10 | 793.14 |

Ageing of Trade Payables as on 31st March 2021 is as below:

| Particulars | Accrued Expenses | Outstanding for the following periods from due date of payment | | | | Total |
|----------------------|------------------|--|----------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Disputed due - MSME* | - | - | - | - | - | - |
| MSME | - | 18.95 | - | - | - | 18.95 |
| Disputed due - Other | - | - | - | - | - | - |
| Other | - | 120.31 | (26.05) | 6.14 | - | 100.40 |
| Accrued expenses | 521.19 | - | - | - | - | 521.19 |
| Total | 521.19 | 139.26 | (26.05) | 6.14 | - | 640.54 |

*MSME as per Micro Small and Medium Enterprises Development Act, 2006

16 LEASE LIABILITIES - CURRENT

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Lease liabilities (Refer note 33) | 273.51 | 230.54 |
| | 273.51 | 230.54 |

Notes:

- (i) Information about the Company's exposure to foreign currency risk, interest rate risk and liquidity risk is disclosed in note 25.

17 OTHER CURRENT FINANCIAL LIABILITIES

| | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Accrued employee costs | 1,051.46 | 886.89 |
| Unclaimed dividend | 8.16 | 8.28 |
| Payables in respect of Property, Plant and Equipment (Refer note 28) | 19.74 | 20.03 |
| Security deposits | 0.43 | 0.53 |
| Payable to subsidiaries (Refer note 26) | 12.19 | 13.09 |
| Other payable | - | 131.00 |
| | 1,091.98 | 1,059.82 |

Note:

- (i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

18 OTHER CURRENT LIABILITIES

| | 31 March 2022 | 31 March 2021 |
|-------------------------|---------------|---------------|
| Unearned revenue | 52.62 | 400.12 |
| Advances from customers | 31.20 | 22.97 |
| Statutory remittances | 317.21 | 249.19 |
| | 401.03 | 672.28 |

19 PROVISIONS - CURRENT

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Provision for employee benefits | | |
| - Compensated absences | 61.27 | 53.10 |
| - Gratuity fund plan liabilities (Refer note 31 (2)) | 42.77 | 40.27 |
| Other provisions | | |
| - Provision for Onerous Contracts | - | 26.09 |
| | 104.04 | 119.46 |

20 REVENUE FROM OPERATIONS

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|------------------|------------------|
| Software services (Refer note 29) | 20,493.75 | 16,405.31 |
| | 20,493.75 | 16,405.31 |

21 OTHER INCOME

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Interest income | 317.41 | 222.99 |
| Dividend income from current investments | 0.44 | 2.78 |
| Profit on sale of property, plant and equipment and intangible assets (net) | 19.10 | - |
| Gain on sale/ redemption of mutual funds (net) | 34.39 | 3.79 |
| Fair value gain on financial assets (investments) at fair value through profit or loss | 2.74 | 3.19 |
| Foreign exchange gain (net)(Refer note 1 below) | 360.32 | (132.94) |
| Other non operating income (net of expenses directly attributable to such income) | 6.92 | 19.69 |
| | 741.32 | 119.50 |

Notes:

- Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ 170.24 million (Previous year - ₹ 294.35 million) (Refer note 25).

22 EMPLOYEE BENEFITS EXPENSE

| | 31 March 2022 | 31 March 2021 |
|---|------------------|------------------|
| Salaries, wages and incentives | 13,122.72 | 10,203.42 |
| Contribution to provident fund (Refer note 31(1)) | 502.08 | 365.03 |
| Share based compensation to employees (Refer note 36) | 84.92 | 73.55 |
| Staff welfare expenses | 39.87 | 15.92 |
| | 13,749.59 | 10,657.92 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

23 FINANCE COSTS

| | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| Interest on lease liabilities | 94.19 | 100.76 |
| Other interest expense | 12.99 | 1.62 |
| | 107.18 | 102.38 |

24 OTHER EXPENSES

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Travel and overseas expenses (net) | 71.40 | 21.64 |
| Transport and conveyance (net) | 11.42 | 10.53 |
| Cost of service delivery (net) | 401.09 | 240.06 |
| Cost of professional sub-contracting (net) | 394.31 | 355.83 |
| Recruitment and training expenses | 378.78 | 162.90 |
| Power and fuel | 64.08 | 70.11 |
| Rent (Refer note 33) | 10.13 | 22.30 |
| Repairs and maintenance | | |
| - buildings | 98.66 | 63.83 |
| - plant and equipment | 380.52 | 236.41 |
| - others | 130.96 | 161.58 |
| Insurance | 26.26 | 25.69 |
| Rates and taxes | 11.13 | 7.67 |
| Communication expenses (net) | 81.63 | 92.11 |
| Legal and professional fees | 422.70 | 303.89 |
| Marketing expenses | 12.14 | 3.73 |
| Loss on sale of property, plant and equipment and intangible assets (net) | - | 0.50 |
| Printing and stationery | 5.66 | 8.59 |
| Auditors remuneration (net of taxes) | | |
| - Audit fees | 10.00 | 10.00 |
| - Limited review of quarterly results | 2.50 | 2.50 |
| - Fees for other services | 0.68 | 3.95 |
| - Out of pocket expenses reimbursed | 0.03 | 0.28 |
| Bad debts written off | 1.88 | 76.59 |
| Provision for doubtful debts and advances (net) | 2.95 | 56.01 |
| Contributions towards corporate social responsibility (Refer note 39) | 49.14 | 52.79 |
| Miscellaneous expenses (net) | 156.85 | 203.35 |
| | 2,724.90 | 2,192.84 |

Note:

Certain expenses are net of recoveries/ reimbursements from customers.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

25 FINANCIAL INSTRUMENTS

25.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2022 are as follows:

| Particulars | Amortised cost | Financial assets/liabilities at fair value through profit or loss | | Financial assets/liabilities at fair value through OCI | | Total carrying value | Total fair value |
|---------------------------------------|------------------|---|-----------------|--|--------------|----------------------|------------------|
| | | Designated upon initial recognition | Mandatory | Designated upon initial recognition | Mandatory | | |
| Financial Assets | | | | | | | |
| Investments (Other than Subsidiaries) | 6,440.17 | - | 1,241.67 | - | - | 7,681.84 | 7,681.84 |
| Trade receivables | 2,705.48 | - | - | - | - | 2,705.48 | 2,705.48 |
| Cash and cash equivalents | 512.76 | - | - | - | - | 512.76 | 512.76 |
| Other balances with banks | 922.13 | - | - | - | - | 922.13 | 922.13 |
| Unbilled revenue | 197.29 | - | - | - | - | 197.29 | 197.29 |
| Other financial assets | 297.83 | - | - | - | 68.73 | 366.56 | 366.56 |
| Total Financial Assets | 11,075.66 | - | 1,241.67 | - | 68.73 | 12,386.06 | 12,386.06 |
| Financial Liabilities | | | | | | | |
| Lease liabilities | 1,073.22 | - | - | - | - | 1,073.22 | 1,073.22 |
| Trade payables | 793.14 | - | - | - | - | 793.14 | 793.14 |
| Other financial liabilities | 1,091.98 | - | - | - | - | 1,091.98 | 1,091.98 |
| Total Financial Liabilities | 2,958.34 | - | - | - | - | 2,958.34 | 2,958.34 |

The carrying value and fair value of financial instruments by categories as on 31 March 2021 are as follows:

| Particulars | Amortised cost | Financial assets/liabilities at fair value through profit or loss | | Financial assets/liabilities at fair value through OCI | | Total carrying value | Total fair value |
|---------------------------------------|------------------|---|---------------|--|---------------|----------------------|------------------|
| | | Designated upon initial recognition | Mandatory | Designated upon initial recognition | Mandatory | | |
| Financial Assets | | | | | | | |
| Investments (Other than Subsidiaries) | 5,156.34 | - | 553.17 | - | - | 5,709.51 | 5,709.51 |
| Trade receivables | 2,130.43 | - | - | - | - | 2,130.43 | 2,130.43 |
| Cash and cash equivalents | 1,560.87 | - | - | - | - | 1,560.87 | 1,560.87 |
| Other balances with banks | 612.71 | - | - | - | - | 612.71 | 612.71 |
| Unbilled revenue | 214.53 | - | - | - | - | 214.53 | 214.53 |
| Other financial assets | 673.19 | - | - | - | 170.23 | 843.42 | 843.42 |
| Total Financial Assets | 10,348.07 | - | 553.17 | - | 170.23 | 11,071.47 | 11,071.47 |
| Financial Liabilities | | | | | | | |
| Trade payables | 640.54 | - | - | - | - | 640.54 | 640.54 |
| Lease liabilities | 1,095.80 | - | - | - | - | 1,095.80 | 1,095.80 |
| Other financial liabilities | 1,059.82 | - | - | - | - | 1,059.82 | 1,059.82 |
| Total Financial Liabilities | 2,796.16 | - | - | - | - | 2,796.16 | 2,796.16 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

25.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, unbilled revenue, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities. Fair value of lease liabilities approximate its carrying amounts, as lease liabilities are valued using the discounted cash flow method.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy include Company's over the counter (OTC) derivative contracts.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2022 :

| Particulars | As at | Fair value measurement as at | | |
|--|---------------|------------------------------|----------|---------|
| | 31 March 2022 | Level 1 | Level 2 | Level 3 |
| Investment in equity instruments of other entities | 0.00* | - | - | 0.00* |
| Investments in Mutual funds (quoted) | 1,281.67 | 1,281.67 | - | - |
| Investments in Bonds (unquoted) | 500.67 | - | 500.67 | - |
| Investments in term deposits(unquoted) | 5,899.50 | - | 5,899.50 | - |
| Forward contract designated as cash flow hedge | 68.73 | - | 68.73 | - |
| Lease Liabilities | 1,073.22 | - | 1,073.22 | - |

* Since denominated in ₹ Million

The following table presents fair value hierarchy of assets and liabilities measured as on 31 March 2021 :

| Particulars | As at | Fair value measurement as at | | |
|--|---------------|------------------------------|----------|---------|
| | 31 March 2021 | Level 1 | Level 2 | Level 3 |
| Investment in equity instruments of other entities | 0.00* | - | - | 0.00* |
| Investments in Mutual funds (quoted) | 553.17 | 553.17 | - | - |
| Investments in term deposits(unquoted) | 5,156.34 | - | 5,156.34 | - |
| Forward contract designated as cash flow hedge | 170.23 | - | 170.23 | - |
| Lease Liabilities | 1,095.80 | - | 1,095.80 | - |

* Since denominated in ₹ million.

25.3 Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors has established the Risk Management Committees, which is responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks arising from financial instruments.

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Company's receivables from customers amounting to ₹ 2705.48 million and ₹ 2130.43 million and unbilled revenue amounting to ₹ 197.29 million and ₹ 214.53 million as on 31 March 2022 and 31 March 2021 respectively. To manage this, the Company periodically assesses the key accounts receivable balances. Credit risk on derivative instruments is generally low as the company enters into derivative contracts with reputed banks. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables

| Particulars | 31 March 2022 | 31 March 2021 |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year | 202.78 | 147.65 |
| Change during the year | 1.08 | (20.58) |
| Bad debts written off | 1.88 | 76.59 |
| Translation exchange difference | 2.66 | (0.88) |
| Balance at the end of the year | 208.40 | 202.78 |

iii. Cash and bank balances

The Company held cash and bank balances of ₹ 1556.32 million and ₹ 2498.25 million as on 31 March 2022 and 31 March 2021 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Guarantees

The Group's policy is to provide financial guarantees on behalf of subsidiaries. The Group has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries. There are nil external borrowings in subsidiaries as on 31st March 22.

v. Investment

The Company invests surplus funds in mutual fund schemes. These mutual funds are regulated by Securities and Exchange Board of India (SEBI)

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds and bonds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Cash and cash equivalents | 512.76 | 1,560.87 |
| Other balances with banks (excluding unclaimed dividend) | 913.97 | 604.45 |
| Investments in Mutual funds (quoted) (non-trade) | 1,281.67 | 553.17 |
| Investments in term deposits(unquoted) | 5,899.50 | 5,156.34 |
| Investments in bonds (Unquoted)(non-trade) | 500.67 | - |
| Fixed deposits with banks including interest accrued | 121.43 | 324.67 |
| Total | 9,230.00 | 8,199.50 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2022.

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-5 years | > 5 years | Total |
|---|------------------|-----------|-----------|-----------|-----------|----------|
| Trade payables | 793.14 | - | - | - | - | 793.14 |
| Lease liabilities on undiscounted basis | 357.61 | 361.49 | 483.17 | 27.36 | 1.98 | 1,231.62 |
| Other financial liabilities | 1,091.98 | - | - | - | - | 1,091.98 |

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021.

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-5 years | > 5 years | Total |
|---|------------------|-----------|-----------|-----------|-----------|----------|
| Trade payables | 640.54 | - | - | - | - | 640.54 |
| Lease liabilities on undiscounted basis | 315.90 | 294.98 | 523.44 | 169.88 | 14.48 | 1,318.68 |
| Other financial liabilities | 1,059.82 | - | - | - | - | 1,059.82 |

c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

Significant portion of the Company's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Company. The foreign currencies to which the Company is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Company evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 75% on net basis. For this purpose the Company uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Company has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to Currency Risk

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2022 :

| Particulars | US Dollars | Euros | Pound Sterling | Other currencies | Total |
|---------------------------------|---------------|---------------|----------------|------------------|-----------------|
| Trade receivables | 879.60 | 349.77 | 497.69 | 83.30 | 1,810.36 |
| Cash and cash equivalents | 27.93 | 6.71 | 6.52 | - | 41.16 |
| Unbilled revenue | 26.51 | 35.69 | - | 1.88 | 64.08 |
| Trade payables | 8.52 | (5.71) | 0.63 | (18.58) | (15.14) |
| Other financial liabilities | (66.40) | (0.53) | (16.63) | (2.72) | (86.28) |
| Net assets/(liabilities) | 876.16 | 385.93 | 488.21 | 63.88 | 1,814.18 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2021 :

| Particulars | US Dollars | Euros | Pound Sterling | Other currencies | Total |
|---|---------------|---------------|----------------|------------------|-----------------|
| Cash and cash equivalents | 18.08 | - | 7.60 | - | 25.68 |
| Trade receivables | 593.29 | 485.80 | 78.07 | 134.83 | 1,291.99 |
| Other financial assets (including loan, unbilled revenue) | 201.31 | 139.48 | 5.00 | 34.21 | 380.00 |
| Trade payables | (4.83) | (6.15) | (1.32) | 3.15 | (9.15) |
| Other financial liabilities | 17.41 | 61.55 | (8.88) | (86.64) | (16.56) |
| Net assets/(liabilities) | 825.26 | 680.68 | 80.47 | 85.55 | 1,671.96 |

For the year ended 31 March 2022, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.45 % / (0.45) %.

For the year ended 31 March 2021, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 1.39% / (1.39)%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Company's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following are the outstanding GBP/USD/EUR: INR Currency Exchange Contracts entered into by the Company which has been designated as Cash Flow Hedges:

| | As at 31 March 2022 | | As at 31 March 2021 | |
|-----|---------------------|----------|---------------------|----------|
| | Foreign Currency | ₹ | Foreign Currency | ₹ |
| EUR | 2.75 | 249.15 | 7.00 | 640.50 |
| USD | 93.90 | 7,277.81 | 83.00 | 6,349.50 |
| GBP | 4.95 | 519.75 | 1.00 | 101.10 |

The forward contracts entered have maturity between 30 days to 11 months from the Balance Sheet date.

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance at the beginning of the year | 127.39 | (191.49) |
| Gains/(losses) recognised in Other Comprehensive Income | 68.73 | 170.23 |
| Amounts reclassified to Statement of Profit and Loss | (170.24) | 294.35 |
| Deferred tax on fair value of effective portion of cash flow hedges | 25.55 | (145.70) |
| Balance at the end of the year | 51.43 | 127.39 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily with Company's Debt obligations with floating interest rates of bank deposits. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| Fixed rate instruments | | |
| Financial assets | 936.08 | 1,860.68 |

25.4 The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

25.5 The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

26 RELATED PARTY DISCLOSURES

A. Relationship between the parent and its subsidiaries:

| Relationship | Name of related party |
|--|---|
| Subsidiary Companies (Direct holding) | Birlasoft Solutions Inc |
| | Birlasoft Solutions France |
| | Birlasoft Computer Corporation, USA |
| | Birlasoft Solutions ME FZE |
| | Birlasoft Solutions Limited |
| | Birlasoft Sdn Bhd |
| | Birlasoft Inc. |
| Subsidiary Companies (Indirect holding) | Birlasoft Consulting Inc. (Subsidiary of Birlasoft Solutions Inc, USA) |
| | Birlasoft Technologies Canada Corporation (Subsidiary of Birlasoft Computer Corporation, USA) |
| | Birlasoft Solutions Ltda (Subsidiary of Birlasoft Solutions Inc, USA) |
| | Birlasoft Solutions GmbH (Subsidiary of Birlasoft Solutions Limited) |
| | Birlasoft Solutions Mexico, S.A. DE C.V. (Subsidiary of Birlasoft Solutions Inc, USA) |
| | Enable Path LLC (Subsidiary of Birlasoft Inc.) |
| | Enterprise having significant influence over the entity |
| Public Company in which a director is a director and holds, along with his relatives, greater than 2% of its paid-up share capital | Orient Cement Limited Orient Electric Limited |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

B. List of Key Management Personnel :

| Key Management Personnel (KMP) | Name | Designation |
|--------------------------------|--|---|
| | Amita Birla | Chairperson and Non-Executive Director |
| | C K Birla | Non-Executive Director |
| | Anant Talaulicar | Independent Director |
| | Alka Bharucha | Independent Director |
| | Ashok Barat | Independent Director |
| | Nandita Gurjar | Independent Director |
| | Dharmander Kapoor | Chief Executive Officer & Managing Director |
| | Chandrasekar Thyagarajan (w.e.f. 21 August 2020) | Chief Financial Officer |
| | Sneha Padve | Company Secretary |

C. List of other related parties with whom there are transactions CK Birla Corporate Services Limited*

D. List of relatives of Director's and KMP's Siddhant Padve

* As the company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'Group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction is being reported as a 'related party transaction' under the applicable accounting standards.

E. Transactions with related parties

| Particulars | Subsidiary Companies | | Directors interested companies | | KMP | | Relatives of Director's and KMP's | | Others | | Total 31 March 2022 | Total 31 March 2021 |
|--|----------------------|-----------|--------------------------------|-----------|-----------|-----------|-----------------------------------|-----------|-----------|-----------|---------------------|---------------------|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | | |
| I Transaction during the year | | | | | | | | | | | | |
| Sales | 16,571.57 | 12,243.67 | 12.41 | 7.70 | - | - | - | - | 8.57 | 8.30 | 16,592.55 | 12,259.67 |
| Software Service Charges | 40.95 | 0.03 | - | - | - | - | - | - | - | - | 40.95 | 0.03 |
| Reimbursement of Expenses | 18.38 | (1.37) | - | - | 0.20 | 0.14 | - | - | - | - | 18.58 | (1.23) |
| Other Expenses | - | - | - | - | - | - | - | - | 51.26 | 46.07 | 51.26 | 46.07 |
| Dividend | - | - | - | - | 2.42 | 1.21 | - | - | 451.63 | 225.81 | 454.05 | 227.02 |
| Advance Net | 19.49 | 3.45 | - | - | - | - | - | - | - | - | 19.49 | 3.45 |
| Remuneration to KMPs (including salary, perquisites, employment benefit plans) | - | - | - | - | 244.18 | 69.80 | 0.36 | 0.03 | - | - | 244.54 | 69.83 |
| Commission and sitting fees paid | - | - | - | - | 22.10 | 26.97 | - | - | - | - | 22.10 | 26.97 |
| II Outstanding Balance at year end | | | | | | | | | | | | |
| Trade Receivable | 1,697.37 | 1,047.05 | 2.58 | 3.30 | - | - | - | - | 2.14 | 8.27 | 1,702.09 | 1,058.62 |
| Trade Payable | 37.29 | 3.83 | - | - | - | - | - | - | - | - | 37.29 | 3.83 |
| Other Receivable / (Payable) | - | - | - | - | 1.80 | 3.69 | - | - | 0.21 | (10.10) | 2.01 | (6.41) |
| Loans and Advances | 11.97 | 75.18 | - | - | - | - | - | - | - | - | 11.97 | 75.18 |
| Investment | 3,663.34 | 3,663.34 | - | - | - | - | - | - | - | - | 3,663.34 | 3,663.34 |

F. Significant transactions with subsidiary companies

| Relationship | Transaction | Related party name | 31-Mar-22 | 31-Mar-21 |
|----------------------|-------------|-------------------------------------|------------------|-----------------|
| Subsidiary Companies | Sales | Birlasoft Solutions Inc. | 5,903.38 | 4,442.06 |
| | | Birlasoft Computer Corporation, USA | 1,097.89 | 987.12 |
| | | Birlasoft Inc. | 6,466.08 | 4,042.31 |
| | | | 13,467.35 | 9,471.49 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

G. Related party transactions with others

| Relationship | Transaction | Related party name | 31-Mar-22 | 31-Mar-21 |
|-----------------------------------|----------------------------------|---|---------------|---------------|
| Directors interested companies | Sales | Orient Cement Limited | 1.17 | 1.70 |
| | | Orient Electric Limited | 11.24 | 6.00 |
| | | | 12.41 | 7.70 |
| KMP | Reimbursement of Expenses | Chandrasekar Thyagarajan | 0.07 | 0.01 |
| | | Dharmander Kapoor | 0.10 | 0.09 |
| | | Sneha Padve | 0.03 | 0.04 |
| | | | 0.20 | 0.14 |
| | Remuneration | Chandrasekar Thyagarajan | 31.73 | 11.99 |
| | | Dharmander Kapoor | 201.09 | 53.04 |
| | | Sneha Padve | 11.36 | 4.77 |
| | | | 244.18 | 69.80 |
| | Commission and sitting fees paid | Alka Bharucha | 3.05 | 2.60 |
| | | Amita Birla | 5.60 | 5.75 |
| | | Anant Talaulicar | 3.70 | 3.70 |
| | | Ashok Kumar Barat | 4.00 | 3.95 |
| | | Chandrakant Birla | 2.50 | 2.50 |
| | | Nandita Gurjar | 3.25 | 3.25 |
| | | Prasad Thrikutam | - | 5.22 |
| | | | 22.10 | 26.97 |
| Dividend | | Dharmander Kapoor | 2.42 | 1.21 |
| | | Sneha Padve | 0.00* | 0.00* |
| | | | 2.42 | 1.21 |
| Relatives of Director's and KMP's | Remuneration | Siddhant Padve | 0.36 | 0.03 |
| Others | Dividend | National Engineering Industries Limited | 430.95 | 215.47 |
| | | Central India Industries Ltd. | 20.68 | 10.34 |
| | | | 451.63 | 225.81 |
| | Other Expenses | CK Birla Corporate Services Limited | 51.26 | 46.07 |
| | Sales | CK Birla Corporate Services Limited | 8.57 | 8.30 |

*Since denominated in ₹ Million

Notes

Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

All transactions with these related parties are priced on an arm's length basis.

As the company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'Group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction is being reported as a 'related party transaction' under the applicable accounting standards.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

27 OTHER EQUITY

(i) Capital redemption reserve

Represents the nominal amount of the preference share capital on redemption of 400,000, 0.01% cumulative redeemable preference shares.

(ii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

(iii) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

(iv) Share based payment reserve

The Company has established various equity-settled share based payment plans for certain categories of employees of the Company. Refer note 38 for further details.

28 DISCLOSURE AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006:

- Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at 31 March 2022 is ₹ 67.16 million (trade payable: ₹ 51.65 million; payables in respect of fixed assets ₹ 15.51 million) (Previous year - ₹ 31.93 million) (trade payable: ₹ 18.95 million; payables in respect of fixed assets ₹ 12.98 million). Estimated interest due thereon is Nil (Previous year ₹ 0.11).
- Amount of payments made to suppliers beyond the appointed date during the year is ₹ 123.34 million (Previous year - ₹ 110.35 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 1.09 million (Previous year - ₹ 1.87 million).
- The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil.
- The amount of estimated interest accrued and remaining unpaid as at 31 March 2022 is ₹ 3.07 million (Previous year ₹ 1.98 million).
- The amount of further estimated interest due and payable for the period from 1 April 2021 to actual date of payment or 30 April 2021 (whichever is earlier) is ₹ Nil.

*The interest is not accrued.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

29 DISCLOSURES AS PER IND AS 115 - REVENUE FROM CONTRACT WITH CUSTOMERS

a. Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers.

Revenue for year ended 31 March 2022

| Particulars | Manufacturing | BFSI | Energy , Resources & Utility | Life science and services | Revenue from Subsidiary | Total |
|--|-----------------|-----------------|------------------------------------|------------------------------|-------------------------------|------------------|
| External Customers | 1,772.52 | 1,132.72 | 469.96 | 576.92 | - | 3,952.12 |
| Revenue from Subsidiary (BTB revenue) | - | - | - | - | 16,541.63 | 16,541.63 |
| Total revenue from contracts with customers | 1,772.52 | 1,132.72 | 469.96 | 576.92 | 16,541.63 | 20,493.75 |
| Geographical Markets | | | | | | |
| a. America | 0.54 | - | - | 1.65 | 14,482.08 | 14,484.27 |
| b. UK and Europe | 442.09 | 646.78 | 3.80 | 30.39 | 2,010.10 | 3,133.16 |
| c. Rest of World | 1,329.89 | 485.94 | 466.16 | 544.88 | 49.45 | 2,876.32 |
| Total revenue from contracts with customers | 1,772.52 | 1,132.72 | 469.96 | 576.92 | 16,541.63 | 20,493.75 |

Revenue for year ended 31 March 2021

| Particulars | Manufacturing | BFSI | Energy , Resources & Utility | Life science and services | Revenue from Subsidiary | Total |
|--|-----------------|-----------------|------------------------------------|------------------------------|-------------------------------|------------------|
| External Customers | 1,873.86 | 1,089.33 | 513.45 | 725.83 | - | 4,202.47 |
| Revenue from Subsidiary (BTB revenue) | - | - | - | - | 12,202.84 | 12,202.84 |
| Total revenue from contracts with customers | 1,873.86 | 1,089.33 | 513.45 | 725.83 | 12,202.84 | 16,405.31 |
| Geographical Markets | | | | | | |
| a. America | - | - | - | - | 10,529.95 | 10,529.95 |
| b. UK and Europe | 107.30 | 136.97 | - | - | 1,515.97 | 1,760.24 |
| c. Rest of World | 1,766.56 | 952.36 | 513.45 | 725.83 | 156.92 | 4,115.12 |
| Total revenue from contracts with customers | 1,873.86 | 1,089.33 | 513.45 | 725.83 | 12,202.84 | 16,405.31 |

b. Trade receivables and Contract balances:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Trade Receivables | 2,705.48 | 2,130.43 |
| Contract assets (including unbilled revenue) | 284.31 | 291.93 |
| Unearned Revenue | 52.62 | 400.12 |

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related services are performed. Revenue for fixed price maintenance and support services contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

billing the customers. Unbilled revenue for fixed price contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

| Changes in contract assets | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance at the beginning of the year | 291.93 | 597.42 |
| Revenue recognized net of invoices raised during the year | (7.62) | (305.49) |
| Balance at the end of the year | 284.31 | 291.93 |

The unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognized when rights become unconditional.

| Changes in unearned revenue | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance at the beginning of the year | 400.12 | 568.86 |
| Revenue recognized net of unearned revenue for the year | 347.50 | 168.74 |
| Balance at the end of the year | 52.62 | 400.12 |

c. Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------|---------------|---------------|
| Within one year | 2,325.38 | 194.37 |
| More than one year | 1,859.19 | 907.16 |

d. Contract Fulfillment Cost:

The Company recognizes contract fulfillment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

| Changes in Contract Fulfillment Cost | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Opening Balance | 21.31 | 26.25 |
| Cost incurred during the period qualifying as contract fulfillment cost | 105.89 | - |
| Amortized in the reporting period | 18.03 | 4.94 |
| Closing balance | 109.17 | 21.31 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(Amount in ₹ million)

30 EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

A. Expenditure in foreign currency

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------------|---------------|---------------|
| Salaries and wages | 107.90 | 98.45 |
| Cost of professional subcontracting | 51.29 | 145.58 |
| Cost of service delivery | 31.67 | 507.35 |
| Recruitment and training expenses | 18.05 | 19.31 |
| Marketing expenses | 0.20 | 0.01 |
| Professional expenses | 5.73 | 3.99 |
| Other expenses | 44.24 | 47.71 |
| Total | 259.08 | 822.40 |

B. Earnings in foreign currency

| Particulars | 31 March 2022 | 31 March 2021 |
|----------------------|------------------|------------------|
| Software services | 17,880.75 | 14,196.00 |
| Miscellaneous income | 0.14 | 1.11 |
| Total | 17,880.89 | 14,197.11 |

Previous year numbers are restated wherever required

31 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS" ARE AS UNDER:

1 Defined contribution plan - Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 502.08 million (Previous year ₹ 365.03 million).

2 Defined benefit plan

Defined benefit plan - unfunded

During the previous year, company has transitioned from un-funded to funded plan for defined benefit plan.

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

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | - | 278.89 |
| On account of transition to defined benefit plan - funded | - | (278.89) |
| Present value of defined benefit obligation at the end of the year | - | - |

Defined benefit plan - Funded

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days of last drawn salary for each completed year of service with a vesting period of 5 years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(Amount in ₹ million)

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

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | 540.24 | 199.96 |
| On account of transition to defined benefit plan - funded | - | 278.89 |
| Current service cost | 84.02 | 75.39 |
| Interest cost | 35.06 | 31.56 |
| Actuarial loss / (Gain) recognized in other comprehensive income | | |
| a) changes in demographic assumptions | (0.23) | - |
| b) changes in financial assumptions | 25.90 | 4.27 |
| c) experience adjustments | 8.38 | (1.80) |
| Benefits paid | (92.42) | (48.03) |
| Present value of defined benefit obligation at the end of the year | 600.95 | 540.24 |

Changes in the plan assets representing reconciliation of opening and closing balances thereof are as follows :

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Fair value of plan assets at the beginning of the year | 218.56 | 188.31 |
| Actual return on plan assets | 14.17 | 12.41 |
| Fund Charges | - | - |
| Employer contribution | 25.00 | 17.66 |
| Benefits paid | - | (3.50) |
| Return on Plan Assets, Excluding Interest Income | (1.20) | 3.68 |
| Fair value of plan assets at the end of the period | 256.53 | 218.56 |

| Analysis of defined benefit obligation | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Present value of obligation as at the end of the year | 600.95 | 540.25 |
| Fair value of plan assets | 256.53 | 218.56 |
| Net (asset) / liability recognized in the Balance Sheet | 344.42 | 321.69 |

| Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Current service cost | 84.02 | 75.39 |
| Interest cost (net) | 20.88 | 19.15 |
| Expenses recognized in the Statement of Profit and Loss | 104.90 | 94.54 |

| Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI) | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Actuarial loss / (gain) | 34.05 | 2.48 |
| Actuarial loss / (gain) for the year on assets | 1.20 | (3.68) |
| Net (income) / expense recognized in the OCI | 35.25 | (1.20) |

| Actuarial assumptions: | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| Discount rate | 6.84% | 6.49% |
| Salary escalation | 6.00% | 5.00% |
| Attrition Rate | | |
| - 2 years and below | 25.00% | 25.00% |
| - 3 years to 4 years | 20.00% | 20.00% |
| - 5 years and above | 7.50% | 7.50% |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Major categories of plan assets (as percentage of total plan assets)

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Funds managed by insurer | 100% | 100% |

Expected contribution for the next Annual reporting period.

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Service cost | 130.26 | 84.02 |
| Net interest cost | 23.56 | 20.88 |
| Expected expense for the next annual reporting period | 153.82 | 104.90 |

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Projected benefit obligation on current assumptions | 31 March 2022 | | 31 March 2021 | |
|---|----------------------------|----------|----------------------------|----------|
| | Defined benefit obligation | | Defined benefit obligation | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1 % movement) | (45.48) | 51.46 | (40.16) | 46.23 |
| Future salary growth (1% movement) | 53.52 | (47.91) | 45.37 | (40.51) |
| Demographic Assumptions (1 % movement) | 0.45 | (0.83) | 2.89 | (3.52) |

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.

Maturity profile of defined benefit plan

| Projected benefits payable in future years from the date of reporting | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Within 1 year | 42.77 | 40.27 |
| 1-2 year | 45.19 | 42.17 |
| 2-3 year | 46.96 | 43.73 |
| 3-4 year | 48.38 | 45.35 |
| 4-5 year | 51.38 | 45.50 |
| 5-6 year | 259.72 | 226.05 |
| Thereafter | 693.43 | 578.40 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Weighted average assumptions used to determine net periodic benefit cost

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| For Birlasoft Limited | | |
| Number of active members | 10,443 | 9,463 |
| Per month salary cost for all active members (₹ million) | 371.28 | 284.60 |
| Weighted average duration of the projected benefit obligation (years) | 10.00 | 9.00 |
| Average expected future service (years) | 7.00 | 7.00 |
| Projected benefit obligation (PBO) | 600.95 | 540.25 |

32 SEGMENT INFORMATION

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

33 LEASES

Following is movement in lease liabilities

| Particulars | 31-Mar-22 | 31-Mar-21 |
|------------------------------|-----------------|-----------------|
| Opening Balance | 1,095.80 | 1277.15 |
| Additions | 227.95 | 64.88 |
| Finance cost during the year | 93.69 | 100.76 |
| Deletions | - | 18.55 |
| Payment of lease liabilities | 344.22 | 328.44 |
| Closing Balance | 1,073.22 | 1,095.80 |

The following is breakup of current and non-current lease liabilities

| Particulars | 31-Mar-22 | 31-Mar-21 |
|-------------------------------|-----------------|-----------------|
| Current lease liabilities | 273.51 | 230.54 |
| Non-current lease liabilities | 799.71 | 865.26 |
| Total | 1,073.22 | 1,095.80 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

| Particulars | 31-Mar-22 | 31-Mar-21 |
|----------------------|-----------------|----------------|
| Less than one year | 357.61 | 315.9 |
| One to five years | 872.02 | 988.31 |
| More than five years | 1.98 | 14.48 |
| Total | 1,231.61 | 1318.69 |

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2020 compared to the lease liability as accounted as at April 1, 2020 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Amount recognised in profit and loss statement :

| Particulars | 31-Mar-22 | 31-Mar-21 |
|--|-----------|-----------|
| Finance cost on lease liabilities | 93.69 | 100.76 |
| Expense relating to short term leases | 9.17 | 11.06 |
| Expense relating to leases of low value assets excluding short term leases of low value assets | 0.05 | 0.02 |
| Expenses relating to variable lease payments not included in measurement of lease liabilities | 0.90 | 11.22 |

Amount recognised in statement of cash flows

| Particulars | 31-Mar-22 | 31-Mar-21 |
|--------------------------------|---------------|---------------|
| Repayment of lease liabilities | 344.22 | 328.44 |
| Total | 344.22 | 328.44 |

34 BASIC AND DILUTED EARNINGS PER SHARE

| Particulars | | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|---------------|
| Nominal value per equity share | ₹ | 2.00 | 2.00 |
| Profit for the year | ₹ (million) | 2,960.48 | 1,935.59 |
| Weighted average number of equity shares outstanding at year end | No. of shares | 278,842,047 | 278,276,327 |
| Earnings per share - Basic | ₹ | 10.62 | 6.96 |
| Effect of dilutive potential equity shares- | | | |
| Weighted average number of diluted equity shares outstanding at year end | No. of shares | 282,193,793 | 284,165,737 |
| Earnings per share - Diluted | ₹ | 10.49 | 6.81 |

35 DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS AS REQUIRED BY THE INDIAN ACCOUNTING STANDARD (IND-AS) 37 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

1 Contingent liabilities

A. Taxes and guarantees

| Sr. No. | Particulars | 31 March 2022 | 31 March 2021 |
|---------|--|---------------|---------------|
| 1 | Outstanding bank guarantees in routine course of business | 96.88 | 129.45 |
| 2 | Income tax matters (Refer note (ii)) | 697.68 | 693.19 |
| 3 | VAT matters | - | 6.42 |
| 4 | Service tax matters (excluding interest and penalty)(Refer note (i)) | 685.45 | 685.45 |
| 5 | Other matters (Refer note (iii)) | 27.75 | 35.15 |

Note:

(i) Service tax matters

- a. The Company has received a show cause cum demand notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2014 to March 2015 demanding service tax relating to:
 - ₹ 169.34 million (Previous year ₹ 169.34 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.
 - ₹ 13.07 million (Previous year ₹ 13.07 million) towards the amount of expenditure made in foreign currency in respect of category II and III services.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(Amount in ₹ million)

- b. The Company has received a show cause notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2010 to June 2012 demanding service tax relating to:

- ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses.

The Company has filed an Appeal with Customs, Excise and Service Tax Appellate Tribunal, Mumbai for all the above matters.

- c. Department has filed an appeal against the Company in the following cases:

- ₹ 469.65 million (Previous year ₹ 469.65 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company for the period October 2006 to March 2014, under the head 'Business Auxiliary Services' and expenditure made in foreign currency in respect of category II and III services with the Hon'ble Supreme Court of India.
- ₹ 28.60 million (Previous year ₹ 28.60 million) towards Service Tax refund granted for the period April 2006 to March 2008 with the Hon'ble Bombay High Court.

(ii) Income tax matters

The Income Tax Department has filed appeals for various years with Hon'ble Delhi High Court predominantly contesting a) the set off of losses of STP unit against Non STP unit b) deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 and c) the Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 601.90 million.

The Company has filed appeals with various appellate authorities for different assessment years. The key items for which appeals are filed are a) allowabilty of deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 b) deduction under section 36 of the Income-tax Act, 1961, with respect to deposit of dues c) disallowance of rent equalization reserve d) tax withholding obligations and e) Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 95.78 million.

(iii) Other matters

These matters pertain to the Transferor Company acquired pursuant to the composite scheme.

- a. ₹ 19.47 million (excluding interest) arising out of the Order passed by District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 12.98 million for alleged short payment of stamp duty along with penalty of ₹ 6.49 million in respect of the office space taken (since vacated) at D-195, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The matter has been remanded back by Hon'ble Supreme Court to Hon'ble Allahabad High Court for hearing it afresh. The matter is presently pending before Hon'ble Allahabad High Court.
- b. ₹ 7.20 million (excluding interest) arising out of the Order passed by Additional District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 6.20 million for alleged short payment of stamp duty along with penalty of ₹ 1.00 million in respect of the office space taken (since vacated) at H-9, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The Company has filed a Writ petition before Hon'ble Allahabad High Court for quashing of the Order.
- c. ₹ 1.08 million arising out of the Demand Notice issued by Tamil Nadu Electricity Board, Chennai on account of purported short levy due to tariff difference. The Company has filed a Writ petition before the Hon'ble Madras High Court at Chennai, challenging such a demand. The matter is presently pending before the Hon'ble Madras High Court.

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- 2 As per Ind AS 37, the Company has made provision for future lease restoration expense of ₹ 3.92 million (Previous year ₹ 3.41 million) in respect leased premises in Noida and Hyderabad. The same is expected to be utilized at the end of the lease period in 2026.

| Sr. No. | Particulars | 31 March 2022 | 31 March 2021 |
|---------|---|---------------|---------------|
| 1 | Carrying amount as at beginning of the year | 3.41 | 3.36 |
| 2 | Additional provision made during the year | 0.51 | 0.05 |
| 3 | Amount paid/utilized during the year | - | - |
| 4 | Carrying amount as at end of the year | 3.92 | 3.41 |

3 **Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 387.56 million (Previous Year ₹ 105.22 million)
- b. Intangibles - ₹ 23.42 million (Previous Year ₹ Nil)

36 SHARE BASED PAYMENTS

1 **Employee Stock Option Plan – 2006**

The Board of Directors and the shareholders of the Group approved another Employees Stock Option Plan at their meeting in July 2006 and in August 2006, respectively. Pursuant to this approval, the Group instituted ESOP 2006, Plan in October, 2006. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 460,400 | 58.53 | 784,155 | 58.14 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered / Adjusted during the year | 22,850 | 58.74 | 7,750 | 53.23 |
| Exercised during the year | 231,300 | 58.33 | 294,605 | 57.78 |
| Lapsed during the year | 15,450 | 58.74 | 21,400 | 53.23 |
| Options outstanding at the end of year | 190,800 | 58.74 | 460,400 | 58.53 |
| Options exercisable at the end of the year | 190,800 | 58.74 | 460,400 | 58.53 |

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 435.78 (Previous year ₹ 187.08).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | NIL | NIL | NIL | 8,000 |
| ₹ 50 to ₹ 100 | 1.06 | 190,800 | 1.55 | 452,400 |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2022 and 31 March 2021.

The company recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

2 Employee Stock Option Plan – 2015

The Board of Directors and the shareholders of the Group approved another Employee Stock Option Plan at their meeting in April 2015 and August, 2015, respectively. Pursuant to this approval, the Group instituted ESOP 2015 Plan in August 2015. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 385,900 | 59.95 | 496,800 | 60.78 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered during the year | 30,000 | 58.74 | - | - |
| Exercised during the year | 183,750 | 58.74 | 74,400 | 66.06 |
| Lapsed during the year | 10,950 | 58.74 | 36,500 | 58.74 |
| Options outstanding at the end of year | 161,200 | 61.64 | 385,900 | 59.95 |
| Options exercisable at the end of the year | 161,200 | 61.64 | 385,900 | 59.95 |

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ 436.46 (Previous year ₹ 210.82).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | NIL | NIL | NIL | NIL |
| ₹ 50 to ₹ 100 | 1.22 | 161,200 | 1.68 | 385,900 |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2022 and 31 March 2021.

The Company recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

3 Employee Stock Option Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in February 2019. Pursuant to this approval, the Company instituted ESOP 2019 Plan in February 2019. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option Granted under ESOP 2019 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of Grant. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 990,233 | 3.10 | 1,589,016 | 3.10 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered during the year | - | - | 21,266 | 3.10 |
| Exercised during the year | 775,558 | 3.10 | 577,517 | 3.10 |
| Lapsed during the year | - | - | - | - |
| Options outstanding at the end of year | 214,675 | 3.10 | 990,233 | 3.10 |
| Options exercisable at the end of the year | 214,675 | 3.10 | 990,233 | 3.10 |

The weighted average share price of the options exercised under Employees Stock Option Scheme -2019 on the date of exercise during the year was ₹ 349.55 (Previous year ₹ 133.32).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | 2.31 | 214,675 | 3.73 | 990,233 |
| ₹ 50 to ₹ 100 | NIL | NIL | NIL | NIL |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2022 and 31 March 2021.

The Group recorded an employee compensation cost of Nil (Previous year ₹ 21.70 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

4 Share Incentive Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in November 2019. Pursuant to this approval, the Group instituted Share Incentive Plan 2019 in November 2019. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. The vesting of the options is 50% and 50% of total options granted after end of second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 6,648,575 | 79.66 | 6,192,931 | 62.40 |
| Granted during the year | 2,353,500 | 423.56 | 942,644 | 183.92 |
| Forfeited / surrendered during the year | 1,463,500 | 97.12 | 487,000 | 61.95 |
| Exercised during the year | 1,228,822 | 62.34 | - | - |
| Lapsed during the year | - | - | - | - |
| Options outstanding at the end of year | 6,309,753 | 49.28 | 6,648,575 | 79.66 |
| Options exercisable at the end of the year | 1,195,644 | NA | - | - |

The weighted average share price of the options exercised under Share Incentive Plan - 2019 on the date of exercise during the year was ₹ 457.52 (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | NIL | NIL | NIL | NIL |
| ₹ 50 to ₹ 100 | 2.38 | 3,504,181 | 5.14 | 5,843,003 |
| Greater than ₹ 100 | 2.66 | 2,805,572 | 6.18 | 805,572 |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| 1. Exercise price (₹) | 423.56 | 183.92 |
| 2. Price of the underlying share in market at the time of the option grant (₹) | 423.56 | 183.92 |
| 3. Weighted average fair value of options granted (₹) | 196.55 | 79.20 |
| 4. Expected life of the option (years) | 4.16 | 3.80 |
| 5. Risk free interest rate (%) | 5.45% | 5.02% |
| 6. Expected volatility (%) | 54.23% | 54.12% |
| 7. Dividend yield (%) | 0.64% | 1.47% |

The Group recorded an employee compensation cost of ₹ 50.45 million (Previous year ₹ 14.28 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

5 Share Incentive Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in November 2019. Pursuant to this approval, the Group instituted Share Incentive Plan 2019 in November 2019. The compensation committee of the Group administers this Plan. Each Restricted Stock Unit carries with it the right to purchase one equity share of the Group. The Units have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such unit. The vesting of the options is 50% and 50% of total units granted after end of second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

Number and weighted average exercise prices of units granted, exercised and cancelled/lapsed during the financial year.

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Units outstanding at the beginning of the year | 1,644,863 | 2.00 | 1,233,647 | 2.00 |
| Granted during the year | - | - | 411,216 | 2.00 |
| Forfeited / surrendered during the year | - | - | - | - |
| Exercised during the year | 205,608 | 2.00 | - | - |
| Lapsed during the year | - | - | - | - |
| Units outstanding at the end of year | 1,439,255 | 2.00 | 1,644,863 | 2.00 |
| Units exercisable at the end of the year | 411,216 | 2.00 | - | - |

The weighted average share price of the units exercised under Share Incentive Plan – 2019 on the date of exercise during the year was ₹ 521.58 (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | 4.40 | 1,439,255 | 5.30 | 1,644,863 |
| ₹ 50 to ₹ 100 | NIL | NIL | NIL | NIL |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| 1. Exercise price (₹) | NA | 2.00 |
| 2. Price of the underlying share in market at the time of the option grant (₹) | NA | 123.83 |
| 3. Weighted average fair value of options granted (₹) | NA | 114.71 |
| 4. Expected life of the option (years) | NA | 3.91 |
| 5. Risk free interest rate (%) | NA | 5.07% |
| 6. Expected volatility (%) | NA | 52.59% |
| 7. Dividend yield (%) | NA | 2.05% |

The Group recorded an employee compensation cost of ₹ 34.46 million (Previous year ₹ 34.42 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

37 INCOME TAXES

The income tax expense consists of following:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|---------------|
| Current tax | | |
| Tax on the profit | 931.24 | 761.87 |
| Total current tax expense (a) | 931.24 | 761.87 |
| Deferred tax | | |
| Atributable to - | | |
| Origination and reversal of temporary differences | 76.58 | 174.78 |
| Total deferred tax expense (b) | 76.58 | 174.78 |
| Total Tax Expense (a + b) | 1,007.82 | 936.65 |

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Profit before tax | 3,968.30 | 2,872.24 |
| Indian statutory income tax rate | 25.17% | 25.17% |
| Expected tax expense | 998.82 | 722.94 |
| Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense | | |
| Effect relating to prior years | (9.92) | (3.18) |
| MAT credit written off due to change in tax regime | - | 128.03 |
| Effect of permanent adjustments | 10.95 | 10.39 |
| Effect of change in tax regime | - | 72.15 |
| Effect of differential overseas tax rates | - | 3.04 |
| Others (net) | 7.97 | 3.28 |
| Total tax expense | 1,007.82 | 936.65 |

Deferred Tax

The gross movement in the deferred income tax account for the year ended 31 March 2022 is as follows:

| Particulars | Opening Balance | Recognised through Profit and Loss Account | Recognised in/ reclassified from OCI | Closing Balance |
|---|-----------------|--|--------------------------------------|-----------------|
| Deferred tax asset/(liabilities) in relation to: | | | | |
| - Provision for doubtful debts and advances | 62.93 | (2.21) | - | 60.72 |
| - Provision for compensated absences | 53.25 | 9.19 | - | 62.44 |
| - Provision for gratuity | 85.44 | - | - | 85.44 |
| - Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation /amortisation as provided under income-tax law | 103.49 | (21.63) | - | 81.86 |
| - Transaction Cost | 109.10 | (54.48) | - | 54.62 |
| - Provision for Indirect tax | 0.15 | (0.12) | - | 0.03 |
| - Bonus Payable | 3.48 | (0.12) | - | 3.36 |
| - Right of Use Assets | 275.81 | (5.68) | - | 270.13 |
| - Others (mainly includes employee related provision) | 22.84 | (8.41) | - | 14.43 |
| - Other provisions | - | 0.99 | - | 0.99 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

| Particulars | Opening Balance | Recognised through Profit and Loss Account | Recognised in/ reclassified from OCI | Closing Balance |
|---|-----------------|--|--------------------------------------|-----------------|
| - Forward contracts designated as cash flow hedges | (42.85) | - | 25.55 | (17.30) |
| - Gratuity fund planned asset | - | - | - | - |
| - Right-of-use assets | (237.90) | 7.38 | - | (230.52) |
| - Investments in MF at fair value through Profit and Loss Account | - | (1.49) | - | (1.49) |
| Net deferred tax asset | 435.74 | (76.58) | 25.55 | 384.71 |

The gross movement in the deferred income tax account for the year ended 31 March 2021 is as follows:

| Particulars | Opening Balance | Recognised through Profit and Loss Account | Recognised in/ reclassified from OCI | Closing Balance |
|--|-----------------|--|--------------------------------------|-----------------|
| Deferred tax asset/(liabilities) in relation to: | | | | |
| - Provision for doubtful debts and advances | 74.38 | (11.45) | - | 62.93 |
| - Provision for compensated absences | 36.95 | 16.30 | - | 53.25 |
| - Provision for gratuity | 101.53 | (16.10) | - | 85.43 |
| - Provision for Indirect tax | 0.17 | (0.02) | - | 0.15 |
| - Bonus Payable | 4.13 | (0.65) | - | 3.48 |
| - Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation/amortisation as provided under income-tax law | 87.23 | 16.26 | - | 103.49 |
| - Forward contracts designated as cash flow hedges | 102.86 | - | (145.70) | (42.84) |
| - Rent equalization reserve | - | 275.81 | - | 275.81 |
| - Transaction Cost | 184.71 | (75.61) | - | 109.10 |
| - Lease liabilities | 345.15 | (345.15) | - | - |
| - Others (mainly includes employee related provision) | - | 22.84 | - | 22.84 |
| - MAT credit entitlement | 128.03 | (128.03) | - | - |
| - Right-of-use assets | (316.93) | 79.03 | - | (237.90) |
| - Others | (0.56) | 0.56 | - | - |
| Net deferred tax asset | 747.65 | (166.21) | (145.70) | 435.74 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

38 RATIO ANALYSIS

| Sr. no. | Particulars | 31-Mar-22 | 31-Mar-21 | % change | Comments |
|---------|---|-----------|-----------|----------|---|
| 1 | Current ratio Current asset / Current liabilities | 4.36 | 3.64 | 20% | |
| 2 | Debt equity ratio | NA | NA | NA | Not applicable - as there are nil borrowings |
| 3 | Debt Service Coverage Ratio | NA | NA | NA | Not applicable - as there are nil borrowings |
| 4 | Return on Equity Ratio Profit after Tax / Average equity | 0.20 | 0.15 | 34% | Increase is on account of increase in revenue led to increase in PAT coupled with increase in other income. |
| 5 | Inventory turnover ratio | NA | NA | NA | Not applicable - as there is no inventory |
| 6 | Trade Receivables turnover ratio Revenue/Average AR balance | 7.81 | 4.95 | 58% | Better collections during the year led to improve in trade receivables turnover ratio. |
| 7 | Trade payables turnover ratio Total other exp/Average AP balance | 3.80 | 3.10 | 23% | |
| 8 | Net capital turnover ratio Revenue/ Working Capital | 2.10 | 2.01 | 5% | |
| 9 | Net profit ratio Profit after Tax/ Revenue | 14% | 12% | 22% | |
| 10 | Return on Capital employed Earnings before Interest and Tax/ Capital Employed | 0.22 | 0.21 | 2% | |
| 11 | Return on investment Income from investments/ Average investments | 0.04 | 0.05 | -8% | |

39 CORPORATE SOCIAL RESPONSIBILITY

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---------------|
| A. Gross amount required to be spent by the company during the year | 49.14 | 43.37 |
| B. Amount spent during the year | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 29.14 | 52.79 |
| C. Shortfall at the end of the year | 20.00 | - |
| D. Total of previous years shortfall | - | - |
| E. Reason for shortfall | Refer note below | NA |
| F. Nature of CSR activities | 1. Environment Sustainability 2. Promoting & Preventive Healthcare 3. Disaster Management 4. Promoting education and skill development | |
| G. Related party transaction | NA | NA |
| H. Movement in CSR Provisions | | |
| (i) Opening liability | - | - |
| (ii) Provision made during the year | 20.00 | - |
| (iii) Amount spent during the year | - | - |
| (iv) Closing liability | 20.00 | - |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Reason for shortfall

During the year, the Company identified and initiated an ongoing project amounting to INR 20.00 million, the duration of which is 18 months. The said amount being unspent as on March 31, 2022, has been transferred to the Unspent CSR Account on April 6, 2022, as required by Section 135(6) of the Companies Act, 2013.

40 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
 Partner
 Membership No. 113896

Place: Pune
 Date: May 23, 2022

**For and on behalf of the Board of Directors of
 BIRLASOFT LIMITED**
CIN: L72200PN1990PLC059594

Amita Birla
 Chairman
 DIN: 00837718

Place: New Jersey
 Date: May 23, 2022

Sneha Padve
 Company Secretary
 Place: Noida
 Date: May 23, 2022

Dharmander Kapoor
 CEO & Managing Director
 DIN: 08443715

Place : New Jersey
 Date: May 23, 2022

Chandrasekar Thyagarajan
 Chief Financial Officer
 Place: New Jersey
 Date: May 23, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Birlasoft Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Birlasoft Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 as at 31 March 2022, of its consolidated profit and other comprehensive

DESCRIPTION OF KEY AUDIT MATTER

Revenue recognition in respect of fixed price contracts (See note 1.4 and 29 to the consolidated financial statements)

| The key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>The Group engages into fixed-price contracts with customers. In respect of fixed-price contracts other than maintenance and support service contracts, revenue is recognised using percentage of completion computed as per the input method. This is based on the Group's estimate of contract costs and efforts for completion of contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.</p> <p>Contract estimates are formed by the Group considering the following:</p> <ul style="list-style-type: none"> Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimates is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations. These contracts may involve onerous obligations on the Group requiring critical estimates to be made. Contracts are subject to modification to account for changes in contract specification and requirements. At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet representing the work completed, costs incurred and accrued. <p>Considering the significant estimate involved in recognition of revenue based on percentage of completion method in respect of fixed price contracts, we have considered this as key audit matter.</p> | <p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the systems, processes and controls implemented by the Group and evaluating the design and implementation of internal controls for measuring and recording revenue and the associated contract assets and unearned revenue. Testing the design and operating effectiveness of key IT controls over IT environment in which the business systems operate. This includes access controls, program change controls, program development controls and IT operation controls; For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognized in accordance with Ind AS by: <ul style="list-style-type: none"> Evaluating the identification of performance obligations. Agreeing the transaction price to the underlying contracts. Inspecting the approval of the estimates of cost to complete. Challenging the Group's estimate of contract cost through a retrospective comparison of costs incurred with budgeted costs. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. Assessing the work in progress (contract assets) on the balance sheet date by inspecting the underlying invoices and signed agreements on sample basis to identify possible delays in achieving milestones. Those may require change in estimated costs to complete the remaining performance obligations. Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred, and invoices raised on customers. Also, checked the related revenue, contract costs, provision for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the requirements of Ind AS 115. Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. We also performed analytical procedures on contract assets with little or no movement in invoicing from previous periods. |

income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill (Refer note 1.9 b (ii) and 37 to the consolidated financial statements)

| The key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>The Group is required to test goodwill for impairment every year or more frequently when there is an indication of impairment. The impairment charge is determined by comparing the carrying value of goodwill with its recoverable amount. We consider the impairment testing of goodwill by the Group to involve significant estimates and judgment. There is inherent uncertainty involved in forecasting and discounting future cashflows, which are the basis of the assessment of recoverability. Considering the significant judgement involved, impairment of goodwill is identified as a key audit matter.</p> | <p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> Assessing Group's evaluation of identification of cash generating units and allocation of goodwill to the respective Vertical Business Units (VBU); Evaluating the Group's assessment of recoverable amount and impairment assessment for goodwill; Testing the arithmetical accuracy of the cash flow projections and impairment assessment made by the Group; We challenged the Group's assumptions used in impairment analysis, such as projected EBITDA & revenue growth rate, terminal growth rates and discount rates by: <ul style="list-style-type: none"> comparing the same to externally derived data and industry comparators, where available; assessing the sensitivity of assumptions on the impairment assessment; comparing the forecasts against the historical performance. <p>This was based on our knowledge of the Group and the markets in which the Vertical Business Units operate. We took assistance of our valuations team for above testing;</p> <ul style="list-style-type: none"> Performing sensitivity analysis of the key assumptions, such as future revenue growth rates and the discount rate used in determining the recoverable value; Evaluating the adequacy of the disclosures of key assumptions and judgements. |

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 and based on the work done, 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

each company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 consolidated financial statements in place and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated 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 financial statements of the current period 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 MATTERS

The financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of INR 20745 million as at 31 March 2022, total revenues (before consolidation adjustments) of INR 405.57 million and net cash flows (before consolidation adjustments) amounting to INR 14.78 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of financial information as certified by the management, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.
 - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner

Place: Pune
Date: 23 May 2022

Membership No. 113896
UDIN: 22113896AJLJSD2225

Annexure A to the Independent Auditor's report on the consolidated financial statements of Birlasoft Limited for the year ended 31 March 2022

With reference to the Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Group on the consolidated financial statements for the year ended 31 March 2022 we report that:

- (xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Group which are incorporated in India except the Holding Company. The Companies (Auditor's Report) Order (CARO) of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 22113896AJLJSD2225

Place: Pune
Date: 23 May 2022

Annexure B to the Independent Auditor's report on the consolidated financial statements of Birlasoft Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Birlasoft Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 22113896AJLJSD2225

Place: Pune
Date: 23 May 2022

CONSOLIDATED BALANCE SHEET

as at 31 March 2022

| | Note | 31 March 2022 | 31 March 2021 |
|--|------|------------------|------------------|
| (Amount in ₹ million) | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2A | 1,468.23 | 1,221.08 |
| Right-of-use assets | 2B | 1,115.92 | 1,179.05 |
| Capital work-in-progress | 2D | 16.99 | 65.47 |
| Goodwill | 37 | 4,567.82 | 4,476.28 |
| Other intangible assets | 2C | 93.57 | 105.09 |
| Intangible assets under development | 2D | 11.40 | - |
| Financial assets | | | |
| Investments | 3 | 540.67 | - |
| Other financial assets | 4 | 162.29 | 353.06 |
| Income tax assets (net) | | 470.60 | 422.43 |
| Deferred tax assets (net) | 5 | 920.06 | 882.01 |
| Other non-current assets | 6 | 132.89 | 187.08 |
| | | 9,500.44 | 8,891.55 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 7 | 7,861.15 | 5,709.51 |
| Trade receivables | 8 | | |
| Billed | | 6,811.55 | 5,182.31 |
| Unbilled | | 1,676.11 | 1,135.40 |
| Cash and cash equivalents | 9 | 2,905.61 | 4,660.92 |
| Other bank balances and deposits | 9 | 922.14 | 612.71 |
| Other financial assets | 10 | 202.89 | 626.68 |
| Other current assets | 11 | 3,953.52 | 3,125.36 |
| | | 24,332.97 | 21,052.89 |
| TOTAL ASSETS | | 33,833.41 | 29,944.44 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 558.99 | 554.57 |
| Other equity | 28 | 25,271.51 | 21,244.72 |
| Total equity | | 25,830.50 | 21,799.29 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 13 | 911.58 | 998.83 |
| Provisions | 14 | 492.39 | 802.78 |
| | | 1,403.97 | 1,801.61 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 15 | | |
| - Outstanding dues of micro enterprises and small enterprises | | 51.65 | 18.95 |
| - Outstanding dues of creditors other than micro enterprises and small enterprises | | 2,043.44 | 1,298.60 |
| Lease liabilities | 16 | 316.71 | 282.27 |
| Other financial liabilities | 17 | 1,724.99 | 2,095.75 |
| Other current liabilities | 18 | 1,723.45 | 1,853.47 |
| Provisions | 19 | 396.25 | 240.09 |
| Income tax liabilities (net) | | 342.45 | 554.41 |
| | | 6,598.94 | 6,343.54 |
| TOTAL EQUITY AND LIABILITIES | | 33,833.41 | 29,944.44 |
| Significant accounting policies | 1 | | |
| Notes referred to above form an integral part of the consolidated financial statements | 2-39 | | |

As per our report of even date attached
For B S R & Co. LLP
 Chartered Accountants
 Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
 Partner
 Membership No. 113896

Place: Pune
 Date: May 23, 2022

**For and on behalf of the Board of Directors of
 BIRLASOFT LIMITED**
 CIN: L72200PN1990PLC059594

Amita Birla
 Chairman
 DIN: 00837718

Place: New Jersey
 Date: May 23, 2022

Sneha Padve
 Company Secretary
 Place: Noida
 Date: May 23, 2022

Dharmander Kapoor
 CEO & Managing Director
 DIN: 08443715

Place: New Jersey
 Date: May 23, 2022

Chandrasekar Thyagarajan
 Chief Financial Officer
 Place: New Jersey
 Date: May 23, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

| | Note | 31 March 2022 | 31 March 2021 |
|--|------|------------------|------------------|
| (Amount in ₹ million) | | | |
| Income | | | |
| Revenue from operations | 20 | 41,303.50 | 35,557.20 |
| Other income (net) | 21 | 662.02 | 189.81 |
| Total income | | 41,965.52 | 35,747.01 |
| Expenses | | | |
| Employee benefits expense | 22 | 23,688.76 | 21,266.76 |
| Finance costs | 23 | 130.16 | 130.44 |
| Depreciation and amortization expense | 2 | 765.10 | 803.71 |
| Other expenses | 24 | 11,213.51 | 8,998.11 |
| Total expenses | | 35,797.53 | 31,199.02 |
| Profit before exceptional items and tax | | 6,167.99 | 4,547.99 |
| Exceptional items | | (1.37) | - |
| Profit before tax | | 6,166.62 | 4,547.99 |
| Tax expense | 36 | | |
| Current tax | | 1,523.68 | 1,172.95 |
| Deferred tax (benefit)/charge | | 6.56 | 166.73 |
| Total tax expense | | 1,530.24 | 1,339.68 |
| Profit for the year | | 4,636.38 | 3,208.31 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit plans | | (35.27) | 1.20 |
| Income tax on items that will not be reclassified to profit or loss | | 8.88 | (0.31) |
| Items that will be reclassified to profit or loss | | | |
| Exchange differences in translating the financial statements of foreign operations | | 396.96 | (212.78) |
| Effective portion of gains/(losses) on hedging instruments in cash flow hedges | | (101.51) | 464.58 |
| Income tax on items that will be reclassified to profit or loss | | 25.55 | (145.70) |
| Total other comprehensive income | | 294.61 | 106.99 |
| Total comprehensive income for the year | | 4,930.99 | 3,315.30 |
| Profit attributable to | | | |
| Owners of the Company | | 4,636.38 | 3,208.31 |
| Profit for the year | | 4,636.38 | 3,208.31 |
| Other comprehensive income attributable to | | | |
| Owners of the Company | | 294.61 | 106.99 |
| Other comprehensive income for the year | | 294.61 | 106.99 |
| Total comprehensive income attributable to | | 4,930.99 | 3,315.30 |
| Earnings per equity share (face value per share ₹ 2 each) | | | |
| Basic | 33 | 16.63 | 11.53 |
| Diluted | 33 | 16.43 | 11.29 |
| Significant accounting policies | 1 | | |
| Notes referred to above form an integral part of the consolidated financial statements | 2-39 | | |

As per our report of even date attached
For B S R & Co. LLP
 Chartered Accountants
 Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
 Partner
 Membership No. 113896

Place: Pune
 Date: May 23, 2022

**For and on behalf of the Board of Directors of
 BIRLASOFT LIMITED**
 CIN: L72200PN1990PLC059594

Amita Birla
 Chairman
 DIN: 00837718

Place: New Jersey
 Date: May 23, 2022

Sneha Padve
 Company Secretary
 Place: Noida
 Date: May 23, 2022

Dharmander Kapoor
 CEO & Managing Director
 DIN: 08443715

Place: New Jersey
 Date: May 23, 2022

Chandrasekar Thyagarajan
 Chief Financial Officer
 Place: New Jersey
 Date: May 23, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

| | | (Amount in ₹ million) | |
|----------|---|-----------------------|---------------|
| | | 31 March 2022 | 31 March 2021 |
| A | EQUITY SHARE CAPITAL | | |
| | Balance at the beginning of the year | 554.57 | 553.42 |
| | Changes in equity share capital during the year | 4.42 | 1.15 |
| | Balance at the end of the year | 558.99 | 554.57 |

B OTHER EQUITY

| Particulars | Share application money pending allotment | | Capital Reserve redemption reserve | | Capital Securities premium reserve | | Share based payment reserve | | Reserves & surplus | | Items of Other Comprehensive Income | | Equity attributable to owners of the Company | |
|--|--|------------------------------------|------------------------------------|-----------------------------|------------------------------------|----------------------|-----------------------------|--|--------------------------------------|---|--|--------------|--|--|
| | Share application money pending allotment | Capital Reserve redemption reserve | Capital Securities premium reserve | Share based payment reserve | General reserve | Amalgamation reserve | Retained earnings | Remeasurement of the net defined benefit Plans (Refer note 30) | Foreign currency translation reserve | Effective portion of cash flow hedges (Refer note 25.3) | Equity attributable to owners of the Company | Total equity | | |
| Balance as on 01 April 2020 | - | 458.64 | 40.00 | 4,237.70 | 140.90 | 179.77 | 51.40 | 12,510.54 | (70.96) | 1,014.31 | (191.49) | 18,370.81 | 18,370.81 | |
| Profit for the year | - | - | - | - | - | - | - | 3,208.31 | - | - | - | 3,208.31 | 3,208.31 | |
| Other comprehensive income (net of tax) | - | - | - | - | - | - | - | 0.89 | (212.78) | - | - | 318.88 | 106.99 | |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 3,208.31 | 0.89 | (212.78) | - | 3,315.30 | 3,315.30 | |
| Transactions with owners recognised directly in equity | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Dividends | - | - | - | - | - | - | - | (554.23) | - | - | - | (554.23) | (554.23) | |
| Share based payments to employees | - | - | - | - | 112.38 | - | - | - | - | - | - | 112.38 | 112.38 | |
| Application money received during the year | 0.46 | - | - | - | - | - | - | - | - | - | - | 0.46 | 0.46 | |
| Transfer from share based payment Reserve | - | - | - | 53.66 | (53.66) | - | - | - | - | - | - | - | - | |
| Balance as on 31 March 2021 | 0.46 | 458.64 | 40.00 | 4,291.36 | 199.62 | 179.77 | 51.40 | 15,164.62 | (70.07) | 801.53 | 127.39 | 21,244.72 | 21,244.72 | |
| Balance as on 01 April 2021 | 0.46 | 458.64 | 40.00 | 4,291.36 | 199.62 | 179.77 | 51.40 | 15,164.62 | (70.07) | 801.53 | 127.39 | 21,244.72 | 21,244.72 | |
| Profit for the year | - | - | - | - | - | - | - | 4,636.38 | - | - | - | 4,636.38 | 4,636.38 | |
| Other comprehensive income (net of tax) | - | - | - | - | - | - | - | (26.39) | 396.96 | (75.96) | - | 294.61 | 294.61 | |
| Total comprehensive income for the year | - | - | - | - | - | - | - | 4,636.38 | (26.39) | 396.96 | (75.96) | 4,930.99 | 4,930.99 | |
| Transactions with owners recognised directly in equity | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Dividends | - | - | - | - | - | - | - | (1,110.80) | - | - | - | (1,110.80) | (1,110.80) | |
| Application money received during the year | 78.96 | - | - | - | - | - | - | - | - | - | - | 78.96 | 78.96 | |
| Issue of shares under ESOP scheme | (79.42) | - | - | 75.00 | - | - | - | - | - | - | - | (4.42) | (4.42) | |
| Share based payments to employees | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfer from share based payment Reserve | - | - | - | 132.06 | - | - | - | 13.88 | - | - | - | 132.06 | 132.06 | |
| Balance as on 31 March 2022 | - | 458.64 | 40.00 | 4,459.01 | 225.15 | 179.77 | 51.40 | 18,704.08 | (96.46) | 1,198.49 | 51.43 | 25,271.51 | 25,271.51 | |
| Significant accounting policies | Notes referred to above form an integral part of the consolidated financial statements | | | | | | | | | | | | | |

2-39

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: May 23, 2022

For and on behalf of the Board of Directors of

BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

Amita Birta

Chairman

DIN: 00837718

Place: New Jersey

Date: May 23, 2022

Dharmender Kapoor

CEO & Managing Director

DIN: 08443715

Place: New Jersey

Date: May 23, 2022

Sneha Padve

Company Secretary

Place: Noida

Date: May 23, 2022

Chandrasekar Thyagarajan

Chief Financial Officer

Place: New Jersey

Date: May 23, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

(Amount in ₹ million)

| PARTICULARS | 31 March 2022 | 31 March 2021 |
|---|-------------------|-------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the year | 4,636.38 | 3,208.31 |
| Adjustments for | | |
| Income tax expense | 1,530.24 | 1,339.68 |
| (Profit)/Loss on sale of property, plant and equipment and intangible assets (net) | (19.08) | 0.51 |
| Depreciation and amortization expense | 765.10 | 803.71 |
| Interest expense | 130.16 | 130.44 |
| Interest income | (322.39) | (231.15) |
| Dividend income | (0.44) | (2.78) |
| Gain on sale / redemption of mutual funds | (34.46) | (3.79) |
| Fair value gain on financial assets (investments) at fair value through profit or loss | (2.74) | (3.19) |
| Provision for doubtful debts and advances (net) | (6.27) | 45.59 |
| Bad debts written off | 1.88 | 141.21 |
| Share based compensation expenses | 132.06 | 112.38 |
| Unrealised foreign exchange loss/(gain) | 342.95 | (140.96) |
| Operating profit before working capital changes | 7,153.39 | 5,399.96 |
| Adjustments for changes in working capital: | | |
| Trade receivables and unbilled revenue | (2,166.77) | 1,588.67 |
| Other financial assets and other assets | (464.11) | (1,463.18) |
| Trade Payables | 749.19 | (545.90) |
| Other financial liabilities, other liabilities and provisions | (680.99) | 1,265.37 |
| Cash generated from operations | 4,590.71 | 6,244.92 |
| Income taxes paid | (1,783.81) | (666.50) |
| Net cash generated from operating activities (A) | 2,806.90 | 5,578.42 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances & payable with respect to property, plant & equipment) | (638.26) | (248.72) |
| Proceeds from sale of property, plant and equipment | 20.82 | 2.35 |
| Purchase of bonds & index fund | (540.67) | - |
| Purchase of other investments | (18,280.08) | (10,070.64) |
| Sale of investments | 16,165.64 | 5,568.13 |
| Interest received | 325.74 | 153.82 |
| Dividend received | 0.44 | 2.78 |
| Bank deposits placed | (2,366.07) | (9,062.82) |
| Proceeds from redemption of bank deposits | 2,245.68 | 9,210.64 |
| Net cash used in investing activities (B) | (3,066.76) | (4,444.46) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital and application money | 78.96 | 1.61 |
| Repayment of lease liabilities | (405.22) | (394.87) |
| Dividend paid | (1,110.82) | (554.22) |
| Interest and finance charges paid | (30.25) | (21.21) |
| Net cash used in financing activities (C) | (1,467.33) | (968.69) |
| D Exchange differences on translation of foreign currency cash and cash equivalents | (28.12) | - |
| Net (decrease) / Increase in cash and cash equivalents (A + B + C + D) | (1,755.31) | 165.27 |
| Cash and cash equivalents at end of the year (Refer note 1 below) | 2,905.61 | 4,660.92 |
| Cash and cash equivalents at beginning of the year (Refer note 1 below) | 4,660.92 | 4,495.65 |
| Net (decrease) / Increase in cash and cash equivalents | (1,755.31) | 165.27 |

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

(Amount in ₹ million)

| PARTICULARS | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Note 1: | | |
| Cash and cash equivalents include: | | |
| Cheques in hand | 86.57 | 27.72 |
| Balance with banks | | |
| - In current accounts | 2,418.46 | 3,062.44 |
| - In deposit accounts (with original maturity of 3 months or less) | 400.58 | 1,570.76 |
| Total Cash and cash equivalents | 2,905.61 | 4,660.92 |

Note 2:

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind-AS) 7 on statement of cash flows.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants

Firm Registration Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: May 23, 2022

**For and on behalf of the Board of Directors of
BIRLASOFT LIMITED**
CIN: L72200PN1990PLC059594

Amita Birla

Chairman

DIN: 00837718

Place: New Jersey

Date: May 23, 2022

Sneha Padve

Company Secretary

Place: Noida

Date: May 23, 2022

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place : New Jersey

Date: May 23, 2022

Chandrasekar Thyagarajan

Chief Financial Officer

Place: New Jersey

Date: May 23, 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

COMPANY OVERVIEW

Birlasoft Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company's registered office is in Pune and it has subsidiaries across multiple geographies.

The Group provides Software Development, global IT consulting to its clients, predominantly in Banking, Financial Services and Insurance, Life Sciences and Services, Energy Resources and Utilities and Manufacturing (which mainly includes Discrete Manufacturing, Hi-Tech & Media, Auto and Consumer packaged goods) verticals.

These Consolidated Financial Statements were authorised for issue by the Group's Board of Directors on 23 May 2022

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of consolidation

The Consolidated Financial Statements relate to Birlasoft Limited ("the Company"), its subsidiary companies which constitutes "the Group".

a. Basis of preparation of consolidated financial statements

- The financial statements of the subsidiary companies used in the consolidation, have been aligned with the parent group and are drawn up to the same reporting date as of the group, i.e. year ended 31 March 2022.
- The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. The consolidated financial statements are presented in millions of Indian rupees rounded off to two decimal places, except per share information, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis, accounting for share based payments, defined benefit obligations and certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

b. Principles of consolidation:

The Consolidated financial statements have been prepared on the following basis:

- The financial statements of all entities are drawn up to same reporting date as that of the parent group i.e. 31 March 2022 for the purpose of preparation of consolidated financial statements.
- The Company consolidates all the entities over which it has control. The Company establishes control when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Company.
- The excess of cost of acquisition to the Group over the share of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary companies, at the acquisition dates, is recognized as 'Goodwill on consolidation' being an asset in the consolidated financial statements. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve. Goodwill is measured at cost less accumulated impairment losses.
- Non-controlling interest is initially measured either at fair value or at the proportionate share of the subsidiary companies' identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequently, the carrying amount of non-controlling interest is adjusted for the changes in the equity of the subsidiary companies.
- The investments in joint venture are accounted for using equity method. The investment is initially recognized at cost and the carrying amount is

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognized in the Statement of Profit and Loss.

c. Business Combinations

- i. Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.
- ii. Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.
- iii. When there is change in the Group's interest in subsidiary companies, that does not result in loss of control, it is accounted for as equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.
- iv. When the Group loses control on a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest, if any, are derecognized from the consolidated financial statements. The investment retained, if any, is recognized at fair value on that date. The gain or loss associated with the loss of control, attributable to the former controlling interest, is recognized in the Statement of Profit and Loss.
- v. Impact of any changes in the purchase consideration, after the measurement period, is recorded in the Statement of Profit and Loss.

1.2 Use of estimates

The preparation of consolidated financial statements requires the management of the group to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the

contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

i. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii. Income tax & Deferred tax

The Group's two major tax jurisdictions are India and the U.S., though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

iii. Business combinations

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.

iv. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

v. Measurement of defined benefit obligation, share based payments and key actuarial assumptions

Information about assumptions and estimation uncertainties in respect of defined benefit obligations and share based payments is included in note 30 and 35 respectively.

vi. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

1.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Group's normal operating cycle;

- b. it is expected to be settled in the Group's normal operating cycle;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Group is less than twelve months.

1.4 Revenue recognition

The Group earns revenue primarily from providing IT services, consulting and business solutions. The Group offers a consulting-led, integrated portfolio of IT.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.
- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the Group is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Unearned revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgements in revenue recognition

i. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of

the customer to benefit independently from such deliverables.

ii. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

iii. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

iv. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

v. Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

vi. Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

1.5 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

1.6 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss Assets under construction are disclosed as capital work-in-progress.

The Company does not have any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes

the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.8 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The management's estimates of the useful lives of various assets for computing depreciation are as follows:

| Type of asset | Useful life (No. of years) |
|------------------------|-------------------------------|
| Buildings | 25 |
| Plant and equipment | 3-4 |
| Office Equipment | 5-10 |
| Owned Vehicle | 3-5 |
| Furniture and fixtures | 7-10 |

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013. 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.

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.9 Impairment

a. Financial assets

The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recorded as an impairment gain or loss in Statement of Profit or Loss.

b. Non-financial assets

i. Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no

longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU 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 on the basis of the carrying amount of each asset in the unit.

1.10 Leases

The Group has primarily leased rental offices premises, guest house, parking space, laptops etc. across multiple locations.

At the inception of contract the Group assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Group as a lessee

a. Recognition and measurement

The Group recognises the right of use asset and lease liability at the commencement date of lease. The right of use asset is initially measured at cost, which comprises of present value of future lease rent payout adjusted for any payment made at or before commencement date any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received.

The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. The Group generally uses incremental borrowing rate as discount rate. The right-of-use assets is depreciated using the straight-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

line method from the commencement date over the useful life of right-of-use asset. The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured to reflect any lease modifications or reassessments.

b. Extension and termination of lease

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

c. Short term leases and low value assets

The Group has elected not to recognise right of use of assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over lease term.

d. Impairment testing for right of use of assets

Right of use of assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

1.11 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.12 Foreign currency transactions

a. Functional and presentation currency

Indian Rupee is the Group's functional as well as presentation currency. For each subsidiary the Group determines the functional currency and items included

in the Consolidated Financial Statements of each entity are measured using that functional currency.

- b. Transactions in foreign currencies are translated to the respective functional currencies of the Group companies at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

c. Translation of foreign operations

For translating the financial statements of foreign branches and subsidiaries, their functional currencies are determined. The results and the financial position of the foreign branches and subsidiaries are translated into presentation currency so that the foreign operation could be included in the consolidated financial statements.

The assets and liabilities of the foreign operation with functional currencies other than the presentation currency are translated to the presentation currency using the closing exchange rate on the Balance Sheet date and the Statement of Profit and Loss using the average exchange rates for the month in which the transactions occur. The resulting exchange differences are accumulated in 'foreign currency translation reserve' in the Statement of Changes in Equity through Other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the foreign currency translation reserve which relates to that operation is reclassified from equity to the Statement of Profit and Loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

1.13 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

The Group's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income for the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

ii) Compensated absences

The employees of certain locations can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified

as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

iii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions, bonus and performance incentives.

1.14 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where

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for the year ended 31 March 2022

it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates for the purposes of current and deferred tax have been determined on the basis of Company's evaluation of acceptability of its tax positions by the taxation authorities.

1.15 Provisions, Contingent liabilities and Contingent assets

The Group recognizes provisions only when it has a present legal or constructive obligation 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 when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognized for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- b. Present obligations that arise from past events but are not recognized because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the consolidated financial statements since this may result in the recognition of income that may never be realized.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is

measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Decommissioning Liability

The Group uses various premises on lease to run its operation and records a provision for decommissioning costs to be incurred for the restoration of these premises at the end of the lease period. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as an interest expense. The estimated future costs of decommissioning and interest rate are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

1.16 Employee stock option

In respect of stock options granted pursuant to the Group's Employee Stock Option Scheme, the Group recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.17 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. 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 or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model

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for the year ended 31 March 2022

whose objective is to hold the asset 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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model 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 or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Group does not use derivative financial instruments for speculative purposes. The counter-party to the Group's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Group's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognised in Other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit or Loss and Other comprehensive income.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

c. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value of financial instruments

The Group uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP), where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realized.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

All assets and liabilities for which fair value is measured 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 recognised in the consolidated 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.

The Group's finance team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement,

such as assets held for distribution in discontinued operations. The team comprises of the head of the treasury operation and chief finance officer.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18 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 the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

1.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.20 Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

2A PROPERTY, PLANT AND EQUIPMENT

| | Building | Leasehold improvements | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipments | Total |
|---|---------------|------------------------|---------------------|------------------------|--------------|-------------------|-----------------|
| Gross carrying amount as at 01 April 2020 | 386.34 | 999.50 | 1,489.85 | 201.75 | 15.33 | 391.19 | 3,483.96 |
| Additions | 2.83 | 20.13 | 165.07 | 0.77 | - | 11.46 | 200.26 |
| Foreign exchange translation | 0.05 | (0.48) | (4.04) | (1.14) | (0.01) | (2.03) | (7.65) |
| Disposal/retirements/derecognition | - | - | 0.04 | 0.45 | 0.75 | 8.17 | 9.41 |
| Gross carrying amount as at 31 March 2021 | 389.22 | 1,019.15 | 1,650.84 | 200.93 | 14.57 | 392.45 | 3,667.16 |
| Accumulated depreciation as at 01 April 2020 | 105.65 | 392.90 | 1,190.90 | 142.93 | 14.75 | 226.06 | 2,073.19 |
| Depreciation | 20.61 | 141.23 | 179.73 | 14.90 | 0.19 | 29.71 | 386.37 |
| Foreign exchange translation | 0.09 | (0.40) | (3.67) | (0.92) | (0.41) | (1.62) | (6.93) |
| Disposal/retirements/derecognition | - | - | 0.03 | 0.22 | 0.75 | 5.55 | 6.55 |
| Accumulated depreciation as at 31 March 2021 | 126.35 | 533.73 | 1,366.93 | 156.69 | 13.78 | 248.60 | 2,446.08 |
| Gross carrying amount as at 01 April 2021 | 389.22 | 1,019.15 | 1,650.84 | 200.93 | 14.57 | 392.45 | 3,667.16 |
| Additions | - | 9.35 | 556.79 | - | 2.63 | 63.00 | 631.77 |
| Foreign exchange translation | (0.65) | 1.20 | 8.68 | 2.77 | - | 2.40 | 14.40 |
| Disposal/retirements/derecognition | 0.77 | - | 110.29 | 5.23 | 0.09 | 62.36 | 178.74 |
| Gross carrying amount as at 31 March 2022 | 387.80 | 1,029.70 | 2,106.02 | 198.47 | 17.11 | 395.49 | 4,134.59 |
| Accumulated depreciation as at 01 April 2021 | 126.35 | 533.73 | 1,366.93 | 156.69 | 13.78 | 248.60 | 2,446.08 |
| Depreciation | 20.65 | 134.26 | 185.47 | 13.39 | 0.21 | 30.55 | 384.53 |
| Foreign exchange translation | (0.46) | 0.97 | 7.59 | 2.39 | - | 2.26 | 12.75 |
| Disposal/retirements/derecognition | 0.77 | - | 110.05 | 4.31 | 0.09 | 61.78 | 177.00 |
| Accumulated depreciation as at 31 March 2022 | 145.77 | 668.96 | 1,449.94 | 168.16 | 13.90 | 219.63 | 2,666.36 |
| Carrying amount as at 31 March 2021 | 262.87 | 485.42 | 283.91 | 44.24 | 0.79 | 143.85 | 1,221.08 |
| Carrying amount as at 31 March 2022 | 242.03 | 360.74 | 656.08 | 30.31 | 3.21 | 175.86 | 1,468.23 |

2B RIGHT-OF-USE ASSETS

| | Office Premises | Land | Total |
|---|-----------------|--------------|-----------------|
| Gross carrying amount as at 01 April 2020 | 1,672.55 | 75.16 | 1,747.71 |
| Additions | 250.02 | - | 250.02 |
| Foreign exchange translation | 6.96 | - | 6.96 |
| Disposal/retirements/derecognition | 133.11 | - | 133.11 |
| Gross carrying amount as at 31 March 2021 | 1,796.42 | 75.16 | 1,871.58 |
| Accumulated depreciation as at 01 April 2020 | 346.43 | 11.87 | 358.30 |
| Depreciation | 336.70 | 2.48 | 339.18 |
| Foreign exchange translation | 10.70 | - | 10.70 |
| Disposal/retirements/derecognition | 15.65 | - | 15.65 |
| Accumulated depreciation as at 31 March 2021 | 678.18 | 14.35 | 692.53 |
| Gross carrying amount as at 01 April 2021 | 1,796.42 | 75.16 | 1,871.58 |
| Additions | 254.90 | - | 254.90 |
| Foreign exchange translation | 12.68 | - | 12.68 |
| Disposal/retirements/derecognition | 255.51 | - | 255.51 |
| Gross carrying amount as at 31 March 2022 | 1,808.49 | 75.16 | 1,883.65 |
| Accumulated depreciation as at 01 April 2021 | 678.18 | 14.35 | 692.53 |
| Depreciation | 321.05 | 2.48 | 323.53 |
| Foreign exchange translation | 7.18 | - | 7.18 |
| Disposal/retirements/derecognition | 255.51 | - | 255.51 |
| Accumulated depreciation as at 31 March 2022 | 750.90 | 16.83 | 767.73 |
| Carrying amount as at 31 March 2021 | 1,118.24 | 60.81 | 1,179.05 |
| Carrying amount as at 31 March 2022 | 1,057.59 | 58.33 | 1,115.92 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

2C OTHER INTANGIBLE ASSETS

| | Internally Generated | Other than Internally Generated | Total |
|---|--------------------------|---------------------------------|-----------------|
| | Product Development Cost | Software | |
| Gross carrying amount as at 01 April 2020 | 333.53 | 868.17 | 1,201.70 |
| Additions | - | 15.01 | 15.01 |
| Foreign exchange translation | (8.16) | (1.26) | (9.42) |
| Disposal/retirements/derecognition | - | - | - |
| Gross carrying amount as at 31 March 2021 | 325.37 | 881.92 | 1,207.29 |
| Accumulated amortisation as at 01 April 2020 | 298.41 | 735.08 | 1,033.49 |
| Amortisation | 26.53 | 51.63 | 78.16 |
| Foreign exchange translation | (9.03) | (0.42) | (9.45) |
| Disposal/retirements/derecognition | - | - | - |
| Accumulated amortisation as at 31 March 2021 | 315.91 | 786.29 | 1,102.20 |
| Gross carrying amount as at 01 April 2021 | 325.37 | 881.92 | 1,207.29 |
| Additions | - | 45.52 | 45.52 |
| Foreign exchange translation | 10.78 | 3.90 | 14.68 |
| Disposal/retirements/derecognition | 3.35 | 139.53 | 142.88 |
| Gross carrying amount as at 31 March 2022 | 332.80 | 791.81 | 1,124.61 |
| Accumulated amortisation as at 01 April 2021 | 315.91 | 786.29 | 1,102.20 |
| Amortisation | 8.45 | 48.59 | 57.04 |
| Foreign exchange translation | 10.78 | 3.90 | 14.68 |
| Disposal/retirements/derecognition | 3.35 | 139.53 | 142.88 |
| Accumulated amortisation as at 31 March 2022 | 331.79 | 699.25 | 1,031.04 |
| Carrying amount as at 31 March 2021 | 9.46 | 95.63 | 105.09 |
| Carrying amount as at 31 March 2022 | 1.01 | 92.56 | 93.57 |

2D CAPITAL WORK IN PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT

| | 31 March 2022 | 31 March 2021 |
|-------------------------------------|---------------|---------------|
| Capital work-in-progress | 16.99 | 65.47 |
| Intangible assets under development | 11.40 | - |

- All the items in capital work in progress are less than one year as at 31 March 2022 & 31 March 2021.
- There are no projects under progress/ development, whose completion is overdue or has exceeded its cost as compared to its original plan.
- There are no projects which are temporarily suspended as on 31 March 2022 & 31 March 2021.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

3 NON-CURRENT INVESTMENTS

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Investments in bonds measured at amortised cost (unquoted) | | |
| National Bank For Agriculture And Rural Development | 100.17 | - |
| Kotak Mahindra Prime Limited | 199.32 | - |
| Sundaram Finance Limited | 100.00 | - |
| L & T Finance Limited | 101.18 | - |
| Investments in Index funds measured at amortised cost (quoted) | | |
| 3,938,206 Units (Previous Year Nil units) ABSL Nifty SDL PSU Bond Sep 2026 RG | 40.00 | - |
| | 540.67 | - |
| Note: | | |
| Market value of quoted investment | 40.04 | - |
| Aggregate value of quoted investment | 40.00 | - |
| Aggregate value of unquoted investment | 500.67 | - |

4 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|---------------------------|---------------|---------------|
| Security deposits | 129.51 | 143.92 |
| Fixed deposits with banks | 19.93 | 206.23 |
| Margin money deposits | - | 2.74 |
| Interest accrued | 12.85 | 0.17 |
| | 162.29 | 353.06 |

Note:

Information about the Group's exposure to interest rate risk, foreign currency risk, credit risk and liquidity risk is disclosed in note 25.

5 DEFERRED TAX ASSETS (NET)

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Deferred tax assets | | |
| - Provision for doubtful debts and advances | 98.13 | 95.73 |
| - Provision for compensated absences | 123.54 | 155.35 |
| - Provision for gratuity | 85.44 | 85.44 |
| - Excess of depreciation/amortisation on property, plant and equipment provided in books over depreciation/ amortisation as under income-tax law. | 162.42 | 185.73 |
| - Transaction cost | 54.64 | 109.10 |
| - Accrued expenses | 11.42 | 6.66 |
| - Unearned revenue | 17.08 | 3.96 |
| - Lease liabilities | 310.55 | 317.39 |
| - Social security deferral | 42.98 | - |
| - Others (mainly includes employee related provision) | 314.67 | 262.52 |
| | 1,220.87 | 1,221.88 |
| Deferred tax liabilities | | |
| - Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts | 13.57 | 8.14 |
| - Forward contracts designated as cash flow hedges | 17.30 | 42.85 |
| - Right-of-use assets | 267.06 | 276.89 |
| - Investments in Mutual Fund at fair value through Profit & loss | 1.49 | - |
| - Others | 1.39 | 11.99 |
| | 300.81 | 339.87 |
| Net deferred tax asset | 920.06 | 882.01 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

6 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Capital advances | - | 2.24 |
| Prepaid expenses | 3.15 | 80.34 |
| Contract Fulfillment Cost | 129.74 | 79.86 |
| Balance in Group Gratuity Trust Account | - | 24.64 |
| | 132.89 | 187.08 |

7 CURRENT INVESTMENTS

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Investments in equity instruments of other entities measured at fair value through profit or loss (unquoted) | | |
| Saraswat Co-operative Bank Limited | 0.00* | 0.00* |
| 1 (Previous year 1) equity share of ₹ 10 each fully paid up | | |
| Investments in Mutual funds measured at fair value through profit or loss (quoted) | | |
| Nil units (Previous year 307,372 units) Aditya Birla Sun Life Liquid Fund - Growth Regular plan | - | 101.22 |
| 730,053 Units (Previous Year Nil units) Aditya Birla Sun Life Saving Fund - Growth | 321.46 | - |
| Nil units (Previous year 36,381 units) Kotak Liquid Fund Regular Growth | - | 150.65 |
| 26,530 units (Previous Year Nil units) Kotak Overnight Fund Growth | 30.00 | - |
| Nil units (Previous year 495,072 units) ICICI Prudential Liquid Fund - Growth | - | 150.03 |
| 1,069,594 units (Previous year Nil units)-ICICI Prudential Money Market Fund- Growth | 325.41 | - |
| Nil units (Previous year 53,904 units) L&T Liquid Fund Regular Growth | - | 151.27 |
| 29,692,224 Units (Previous Year Nil units) HDFC Ultra Short Term Fund -Regular Growth | 364.55 | - |
| 5,943,328 Units (Previous Year Nil units) SBI Saving Fund -Regular Growth | 200.25 | - |
| 719,981,250 units (Previous Year Nil units) HSBC US Govt MMF Intermediary CL | 719.98 | - |
| Term deposits with financial institutions (carried at amortised cost) (unquoted) | 5,899.50 | 5,156.34 |
| | 7,861.15 | 5,709.51 |
| Note: | | |
| Aggregate market value of quoted investment | 1,961.65 | 553.17 |
| Aggregate value of unquoted investment | 5,899.50 | 5,156.34 |

* Since denominated in ₹ Million

8 TRADE RECEIVABLES

(Unsecured)

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Billed | | |
| Trade Receivables considered good | 6,811.55 | 5,182.31 |
| Trade Receivables - credit impaired | 410.94 | 409.17 |
| | 7,222.49 | 5,591.48 |
| Less: Allowances for bad and doubtful trade receivables | 410.94 | 409.17 |
| | 6,811.55 | 5,182.31 |

Notes:

(i) Trade receivables from related parties are disclosed in note 31

(ii) The Group's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Ageing of Trade Receivables as on 31 March 2022 is as below

| Particulars | Outstanding from due date of payment | | | | | Total |
|--|--------------------------------------|-------------------|--------------|---------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade receivables - Billed | | | | | | |
| Undisputed- considered good | 6,688.00 | 159.75 | 64.37 | 195.66 | 5.20 | 7,112.98 |
| Undisputed- which have significant increase in credit risk | 10.51 | - | 13.96 | 1.29 | 3.99 | 29.75 |
| Undisputed- credit impaired | - | - | - | - | - | - |
| Disputed- considered good | - | - | - | - | - | - |
| Disputed- which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed- credit impaired | - | - | - | 11.88 | 67.88 | 79.76 |
| | 6,698.51 | 159.75 | 78.33 | 208.83 | 77.07 | 7,222.49 |
| Less: Allowance for bad and doubtful receivables | | | | | | (410.94) |
| | | | | | | 6,811.55 |
| Trade receivables - Unbilled | | | | | | 1,676.11 |
| Total | 6,698.51 | 159.75 | 78.33 | 208.83 | 77.07 | 8,487.66 |

Ageing of Trade Receivables as on 31 March 2021 is as below

| Particulars | Outstanding from due date of payment | | | | | Total |
|--|--------------------------------------|-------------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade receivables - Billed | | | | | | |
| Undisputed- considered good | 5,040.24 | 138.49 | 297.53 | - | - | 5,476.26 |
| Undisputed- which have significant increase in credit risk | 14.27 | - | 19.30 | 3.33 | 1.38 | 38.28 |
| Undisputed- credit impaired | - | - | - | - | - | - |
| Disputed- considered good | - | - | - | - | - | - |
| Disputed- which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed- credit impaired | - | - | 11.46 | 53.29 | 12.19 | 76.94 |
| | 5,054.51 | 138.49 | 328.29 | 56.62 | 13.57 | 5,591.48 |
| Less: Allowance for bad and doubtful receivables | | | | | | (409.17) |
| | | | | | | 5,182.31 |
| Trade receivables - Unbilled | | | | | | 1,135.40 |
| Total | 5,054.51 | 138.49 | 328.29 | 56.62 | 13.57 | 6,317.71 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

9 CASH AND BANK BALANCES

| | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Cash and cash equivalents | | |
| - Cheques in hand | 86.57 | 27.72 |
| Balances with banks | | |
| - In current accounts | 2,418.46 | 3,062.44 |
| - In deposit accounts (with original maturity of 3 months or less) | 400.58 | 1,570.76 |
| | 2,905.61 | 4,660.92 |
| Other bank balances and deposits | | |
| - In Current Account (unclaimed dividend) | 8.16 | 8.26 |
| - In Deposit Account with remaining maturity of less than 12 months (Refer note 2 below) | 913.98 | 604.45 |
| | 922.14 | 612.71 |
| | 3,827.75 | 5,273.63 |

Note:

- Information about the Group's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25
- Bank deposits include ₹ 50.85 million held as deposits against performance guarantees issued to customers.
- There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

10 OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|----------------------------------|---------------|---------------|
| Security deposits | 32.52 | 34.52 |
| Interest accrued | 88.65 | 118.28 |
| Forward contracts | | |
| - designated as cash flow hedges | 68.73 | 170.23 |
| Margin Money deposit | 2.84 | - |
| Other receivables | 10.15 | 303.65 |
| | 202.89 | 626.68 |

Note:

Information about the Group's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25.

11 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)

| | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Contract assets -from fixed price contracts (Refer note 29(b)) | 2,851.95 | 2,460.00 |
| Advance to suppliers | 64.13 | 49.24 |
| Employee advances | 41.74 | 26.14 |
| Balances with statutory authorities | 400.31 | 203.47 |
| Prepaid expenses | 403.08 | 375.96 |
| Contract Fulfillment Cost | 184.02 | 2.46 |
| Others | 8.29 | 8.09 |
| | 3,953.52 | 3,125.36 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

12 EQUITY SHARE CAPITAL

| | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Authorised: | | |
| 870,000,000 (Previous year 870,000,000) equity shares of ₹ 2 each. | 1,740.00 | 1,740.00 |
| | 1,740.00 | 1,740.00 |
| Issued subscribed and fully paid up: | | |
| 279,496,082 (Previous year 277,286,094) equity shares of ₹ 2 each fully paid up | 558.99 | 554.57 |
| | 558.99 | 554.57 |

12.1 The Company declares and pays dividends in Indian rupees. Interim dividend of ₹ 1.50 per share (previous year ₹ 1.00 per share) of face value of ₹ 2 per share was declared by Board of Directors for previous year in their meeting held on October 26, 2021.

The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2022 by the Board of Directors in their meeting held on 23 May 2022 is ₹ 3/- per share (Previous year ₹ 2.50 per share) and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividends during the year ended 31 March 2022 include ₹ 2.50 per share towards final dividend for the year ended 31 March 2021 and ₹ 1.50 per share towards interim dividend for the year ended 31 March 2022. Dividends during the year ended 31 March 2021 include ₹ 1 per share towards final dividend for the year ended 31 March 2020 and ₹ 1 per share towards interim dividend for the year ended 31 March 2021.

12.2 The Board of Directors at its meeting held on May 23, 2022, has approved a proposal to buy-back upto 7,800,000 fully paid equity shares of ₹ 2/- each of the Company for an aggregate amount not exceeding ₹ 3,900 million being 2.79% of the total paid up equity share capital at ₹ 500/- per equity share subject to the approval of the members.

12.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.4 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|---------------|---------------------|---------------|
| | Number of shares | ₹ in million | Number of shares | ₹ in million |
| Equity shares | | | | |
| At the beginning of the year | 277,286,094 | 554.57 | 276,708,577 | 553.42 |
| Add: Shares issued on exercise of employee stock options | 2,209,988 | 4.42 | 577,517 | 1.15 |
| Outstanding at the end of the year | 279,496,082 | 558.99 | 277,286,094 | 554.57 |

12.5 The Company has only one class of shares referred to as equity shares having a par value of ₹ 2 each. Each shareholder of equity shares is entitled to one vote per share and an equal right to dividend.

12.6 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

| Name of the shareholders | Number of shares as at 31 March 2022 | % of shares held | Number of shares as at 31 March 2021 | % of shares held |
|---|--------------------------------------|------------------|--------------------------------------|------------------|
| National Engineering Industries Limited | 107,736,274 | 38.55% | 107,736,274 | 38.85% |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

12.7 Number of equity shares held by promoters in the Company are as follows:

| Name of the shareholders | Number of shares as at 31 March 2022 | % of shares held | Number of shares as at 31 March 2021 | % of shares held | % change during the year |
|--|--------------------------------------|------------------|--------------------------------------|------------------|--------------------------|
| National Engineering Industries Limited* | 107,736,274 | 38.55% | 107,736,274 | 38.85% | -0.31% |
| Central India Industries Ltd* | 5,169,511 | 1.85% | 5,169,511 | 1.86% | -0.01% |

*% change due to ESOP allotment during the year.

12.8 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date - Nil (Previous year - Nil)

12.9 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

76,645,066 equity shares of ₹ 2 each were allotted as fully paid-up pursuant to Composite scheme of arrangement.

12.10 Capital Management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain investor, creditor and market confidence and to maximize shareholder value. In order to fulfil its objective, the management of the Company monitors the return on capital as well as the level of dividends to ordinary shareholders.

13 LEASE LIABILITIES -NON CURRENT

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Lease liabilities (Refer note 32) | 911.58 | 998.83 |
| | 911.58 | 998.83 |

Notes:

Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risks is disclosed in note 25.

14 PROVISIONS -NON CURRENT

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Provision for employee benefits | | |
| - Compensated Absences | 186.82 | 517.95 |
| - Gratuity fund plan liabilities (Refer note 30(2)) | 301.65 | 281.42 |
| Other provisions | | |
| - Provision for lease restoration costs (Refer note 34(2)) | 3.92 | 3.41 |
| | 492.39 | 802.78 |

15 TRADE PAYABLES

| | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises | 51.65 | 18.95 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,043.44 | 1,298.60 |
| | 2,095.09 | 1,317.55 |

Notes:

(i) Trade payables from related parties are disclosed in note 31.

(ii) Information about the Group's exposure to foreign currency risk and liquidity risk is disclosed in note 25.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Ageing of Trade Payables as on 31st March 2022 is as below:

| Particulars | Accrued Expenses | Outstanding for the following periods from due date of payment | | | | Total |
|----------------------|------------------|--|-------------|-------------|-------------------|-----------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Disputed Due - MSME | - | - | - | - | - | - |
| MSME | - | 51.65 | - | - | - | 51.65 |
| Disputed Due - Other | - | - | - | - | - | - |
| Other | - | 280.16 | 4.58 | 6.33 | 4.32 | 295.39 |
| Accrued expense | 1,748.05 | - | - | - | - | 1,748.05 |
| Total | 1,748.05 | 331.81 | 4.58 | 6.33 | 4.32 | 2,095.09 |

Ageing of Trade Payables as on 31st March 2021 is as below:

| Particulars | Accrued Expenses | Outstanding for the following periods from due date of payment | | | | Total |
|----------------------|------------------|--|-----------|-------------|-------------------|-----------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Disputed Due - MSME | - | - | - | - | - | - |
| MSME | - | 18.95 | - | - | - | 18.95 |
| Disputed Due - Other | - | - | - | - | - | - |
| Other | - | 465.71 | - | 1.78 | - | 467.49 |
| Accrued expense | 831.11 | - | - | - | - | 831.11 |
| Total | 831.11 | 484.66 | - | 1.78 | - | 1,317.55 |

16 LEASE LIABILITIES - CURRENT

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Lease liabilities (Refer note 32) | 316.71 | 282.27 |
| | 316.71 | 282.27 |

Notes:

Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risks is disclosed in note 25.

17 OTHER CURRENT FINANCIAL LIABILITIES

| | 31 March 2022 | 31 March 2021 |
|-------------------------------------|-----------------|-----------------|
| Accrued employee costs | 1,693.98 | 1,639.41 |
| Unclaimed dividend | 8.16 | 8.28 |
| Payables in respect of fixed assets | 19.74 | 20.03 |
| Security deposits | 1.11 | 2.16 |
| Other payables | 2.00 | 425.87 |
| | 1,724.99 | 2,095.75 |

Note:

Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risks is disclosed in note 25.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

18 OTHER CURRENT LIABILITIES

| | 31 March 2022 | 31 March 2021 |
|-------------------------|-----------------|-----------------|
| Unearned revenue | 882.56 | 629.77 |
| Advances from customers | 123.60 | 395.17 |
| Statutory remittances | 716.54 | 828.53 |
| Others | 0.75 | - |
| | 1,723.45 | 1,853.47 |

19 PROVISIONS - CURRENT

| | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Provision for employee benefits | | |
| - Compensated Absences | 345.99 | 173.73 |
| - Gratuity fund plan liabilities (Refer note 30(2)) | 50.26 | 40.27 |
| Other provisions | | |
| - Provision for Onerous contracts | - | 26.09 |
| | 396.25 | 240.09 |

20 REVENUE FROM OPERATIONS

| | 31 March 2022 | 31 March 2021 |
|-------------------|------------------|------------------|
| Software services | 41,303.50 | 35,557.20 |
| | 41,303.50 | 35,557.20 |

21 OTHER INCOME

| | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Interest income | 322.39 | 231.15 |
| Dividend income from current investments | 0.44 | 2.78 |
| Profit on sale of property, plant and equipment and intangible assets (net) | 19.08 | - |
| Gain on sale / redemption of mutual funds (net) | 34.46 | 3.79 |
| Fair value gain on financial assets (investments) at fair value through profit or loss | 2.74 | 3.19 |
| Foreign exchange gain/ (loss) (net) (Refer note (i) below) | 263.90 | (110.27) |
| Other non operating income (net of expenses directly attributable to such income) | 19.01 | 59.17 |
| | 662.02 | 189.81 |

Notes:

(i) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ -170.24 million (Previous year ₹ 294.35 million) (Refer note 25.3).

22 EMPLOYEE BENEFITS EXPENSE

| | 31 March 2022 | 31 March 2021 |
|---------------------------------------|------------------|------------------|
| Salaries, wages and incentives | 22,994.52 | 20,766.65 |
| Contribution to provident fund | 502.08 | 365.03 |
| Share based compensation to employees | 132.06 | 111.75 |
| Staff welfare expenses | 60.10 | 23.33 |
| | 23,688.76 | 21,266.76 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

23 FINANCE COSTS

| | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| Interest on lease liabilities | 99.91 | 109.23 |
| Other Interest expense | 30.25 | 21.21 |
| | 130.16 | 130.44 |

24 OTHER EXPENSES

| | 31 March 2022 | 31 March 2021 |
|---|------------------|-----------------|
| Travel and overseas expenses (net) | 370.79 | 181.34 |
| Transport and conveyance (net) | 12.05 | 29.69 |
| Cost of service delivery (net) | 1,852.68 | 2,499.75 |
| Cost of professional sub-contracting (net) | 6,679.62 | 4,217.06 |
| Recruitment and training expenses | 434.12 | 191.98 |
| Power and fuel | 66.97 | 74.68 |
| Rent (Refer note 32) | 27.64 | 39.13 |
| Repairs and maintenance - | | |
| - buildings | 98.66 | 63.83 |
| - plant and equipment | 390.19 | 248.34 |
| - others | 134.74 | 167.79 |
| Insurance | 49.32 | 46.67 |
| Rates and taxes | 66.28 | 45.59 |
| Communication expenses (net) | 134.39 | 172.26 |
| Legal and professional fees | 579.84 | 496.29 |
| Marketing expenses | 36.85 | 2.70 |
| Loss on sale of fixed assets (net) | - | 0.51 |
| Printing & stationery | 6.56 | 10.93 |
| Auditors remuneration (net of taxes) | | |
| - Audit fees | 10.00 | 10.00 |
| - Limited review of quarterly results | 2.50 | 2.50 |
| - Fees for other services | 0.68 | 3.95 |
| - Out of pocket expenses reimbursed | 0.03 | 0.28 |
| Bad debts written off | 1.88 | 141.21 |
| Provision for doubtful debts and advances (net) | (6.27) | 45.59 |
| Contributions towards corporate social responsibility (Refer note 38) | 49.14 | 52.79 |
| Miscellaneous expenses (net) | 214.85 | 253.25 |
| | 11,213.51 | 8,998.11 |

Note:

Certain expenses are net of recoveries/reimbursements from customers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

25 FINANCIAL INSTRUMENTS

25.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2022 are as follows:

| Particulars | Amortised cost | Financial assets/ liabilities at fair value through profit or loss (FVTPL) | | Financial assets/ liabilities at fair value through OCI | | Total carrying value | Total fair value |
|------------------------------------|------------------|--|-----------------|---|--------------|----------------------|------------------|
| | | Designated upon initial recognition | Mandatory | Designated upon initial recognition | Mandatory | | |
| Financial assets | | | | | | | |
| Investments | 6,440.17 | - | 1,961.65 | - | - | 8,401.82 | 8,401.82 |
| Trade receivables | 6,811.55 | - | - | - | - | 6,811.55 | 6,811.55 |
| Cash and cash equivalents | 2,905.61 | - | - | - | - | 2,905.61 | 2,905.61 |
| Other balances with banks | 922.14 | - | - | - | - | 922.14 | 922.14 |
| Unbilled revenue | 1,676.11 | - | - | - | - | 1,676.11 | 1,676.11 |
| Other financial assets | 296.45 | - | - | - | 68.73 | 365.18 | 365.18 |
| Total financial assets | 19,052.03 | - | 1,961.65 | - | 68.73 | 21,082.41 | 21,082.41 |
| Financial liabilities | | | | | | | |
| Trade payables | 2,095.09 | - | - | - | - | 2,095.09 | 2,095.09 |
| Lease liabilities | 1,228.29 | - | - | - | - | 1,228.29 | 1,228.29 |
| Other financial liabilities | 1,724.99 | - | - | - | - | 1,724.99 | 1,724.99 |
| Total financial liabilities | 5,048.37 | - | - | - | - | 5,048.37 | 5,048.37 |

The carrying value and fair value of financial instruments by categories as on 31 March 2021 are as follows:

| Particulars | Amortised cost | Financial assets/ liabilities at fair value through profit or loss (FVTPL) | | Financial assets/ liabilities at fair value through OCI | | Total carrying value | Total fair value |
|------------------------------------|------------------|--|---------------|---|---------------|----------------------|------------------|
| | | Designated upon initial recognition | Mandatory | Designated upon initial recognition | Mandatory | | |
| Financial assets | | | | | | | |
| Investments | 5,156.34 | - | 553.17 | - | - | 5,709.51 | 5,709.51 |
| Trade receivables | 5,182.31 | - | - | - | - | 5,182.31 | 5,182.31 |
| Cash and cash equivalents | 4,660.92 | - | - | - | - | 4,660.92 | 4,660.92 |
| Other balances with banks | 612.71 | - | - | - | - | 612.71 | 612.71 |
| Unbilled revenue | 1,135.40 | - | - | - | - | 1,135.40 | 1,135.40 |
| Other financial assets | 809.51 | - | - | - | 170.23 | 979.74 | 979.74 |
| Total financial assets | 17,557.19 | - | 553.17 | - | 170.23 | 18,280.59 | 18,280.59 |
| Financial liabilities | | | | | | | |
| Trade payables | 1,317.55 | - | - | - | - | 1,317.55 | 1,317.55 |
| Lease liabilities | 1,281.10 | - | - | - | - | 1,281.10 | 1,281.10 |
| Other financial liabilities | 2,095.75 | - | - | - | - | 2,095.75 | 2,095.75 |
| Total financial liabilities | 4,694.40 | - | - | - | - | 4,694.40 | 4,694.40 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

25.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, unbilled revenue, other financial assets, trade payables and other financial liabilities, whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities. Fair value of lease liabilities approximate its carrying amounts, as lease liabilities are valued using the discounted cash flow method.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy includes Company's over the counter (OTC) derivative contracts.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2022 :

| Particulars | As at | | Fair value measurement | | |
|--|---------------|----------|------------------------|---------|--|
| | 31 March 2022 | Level 1 | Level 2 | Level 3 | |
| Investment in equity instruments of other entities | 0.00* | - | - | 0.00* | |
| Investments in Mutual funds (quoted) | 2,001.65 | 2,001.65 | - | - | |
| Investments in Bonds (unquoted) | 500.67 | - | 500.67 | - | |
| Investments in Term deposits (unquoted) | 5,899.50 | - | 5,899.50 | - | |
| Forward contract designated as cash flow hedge | 68.73 | - | 68.73 | - | |
| Lease liabilities | 1,228.29 | - | 1,228.29 | - | |

* Since denominated in ₹ Million

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2021:

| Particulars | As at | | Fair value measurement | | |
|--|---------------|---------|------------------------|---------|--|
| | 31 March 2021 | Level 1 | Level 2 | Level 3 | |
| Investment in equity instruments of other entities | 0.00* | - | - | 0.00* | |
| Investments in Mutual funds (quoted) | 553.17 | 553.17 | - | - | |
| Investments in Term deposits (unquoted) | 5,709.51 | - | 5,709.51 | - | |
| Forward contract designated as cash flow hedge | 170.23 | - | 170.23 | - | |
| Lease liabilities | 1,281.10 | - | 1,281.10 | - | |

* Since denominated in ₹ million.

25.3 Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committees, which is responsible for developing and monitoring the Group's risk management policies. The Group has exposure to the following risks arising from financial instruments.

a. Credit risk

Credit risk is the risk of financial losses to the Group if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Group's receivables from customers amounting to ₹ 6811.55 million and ₹ 5182.31 million and unbilled revenue amounting to ₹ 1676.11 million and ₹ 1135.4 million as on 31 March 2022 and 31 March 2021 respectively. To manage this, the Group periodically assesses the key accounts receivable balances. Credit risk on derivative instruments is generally low as the company enters into derivative contracts with reputed banks. As per Ind-AS 109 : Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Group has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis. For the details of the Group's exposure to credit risk by geographic region and revenue generated from top customer, refer note 26.

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables:

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------------|---------------|---------------|
| Balance at the beginning of the year | 409.17 | 369.59 |
| Change during the year | (8.15) | (95.62) |
| Bad debts written off | 1.88 | 141.21 |
| Translation exchange difference | 8.04 | (6.01) |
| Balance as on 31 March 2022 | 410.94 | 409.17 |

Unbilled revenue is not outstanding for more than 90 days.

iii. Cash and bank balances

The Group held cash and bank balances of ₹ 3936.33 million and ₹ 5598.14 million as on 31 March 2022 and 31 March 2021 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Guarantees

The Group's policy is to provide financial guarantees on behalf of subsidiaries. The Group has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries. There are nil external borrowings in subsidiaries as on 31 March 22.

v. Investment

The Group invests surplus funds in mutual fund schemes & bonds. These mutual fund are regulated by Securities and Exchange Board of India (SEBI).

b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Group invests its excess funds in short term liquid assets like liquid mutual funds. The Group monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|------------------|------------------|
| Cash and cash equivalents | 2,905.61 | 4,660.92 |
| Other balances with banks (excluding unclaimed dividend) | 913.98 | 604.45 |
| Investments in Mutual funds (quoted) (non-trade) | 2,001.65 | 553.17 |
| Investments in Bonds (unquoted) (non-trade) | 500.67 | - |
| Investments in Term deposits (unquoted) | 5,899.50 | 5,156.34 |
| Fixed deposits with banks (non-current portion) including interest accrued | 121.43 | 324.68 |
| Total | 12,342.84 | 11,299.56 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2022:

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-5 years | > 5 years | Total |
|---|------------------|-----------|-----------|-----------|-----------|----------|
| Trade payables | 2,095.09 | - | - | - | - | 2,095.09 |
| Lease liabilities on undiscounted basis | 405.43 | 397.62 | 558.71 | 30.64 | 1.98 | 1,394.38 |
| Other financial liabilities | 1,724.99 | - | - | - | - | 1,724.99 |

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021:

| Particulars | Less than 1 year | 1-2 years | 2-4 years | 4-5 years | > 5 years | Total |
|---|------------------|-----------|-----------|-----------|-----------|----------|
| Trade payables | 1,317.55 | - | - | - | - | 1,317.55 |
| Lease liabilities on undiscounted basis | 372.74 | 324.56 | 594.00 | 206.76 | 20.81 | 1,518.87 |
| Other financial liabilities | 2,095.75 | - | - | - | - | 2,095.75 |

c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

Significant portion of the Group's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Group. The foreign currencies to which the Group is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Group evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 75% on net basis. For this purpose the Group uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Group has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to Currency Risk

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2022:

| Particulars | US Dollars | Euros | Pound Sterling | Other currencies | Total |
|--|---------------|---------------|----------------|------------------|---------------|
| Cash and cash equivalents | 203.92 | 92.36 | 6.52 | - | 302.80 |
| Trade receivables | 361.19 | 182.47 | 1.87 | 17.56 | 563.09 |
| Other financial assets (including loan and unbilled revenue) | 50.24 | 46.13 | - | 5.26 | 101.63 |
| Trade payables | 3.52 | (29.84) | 1.20 | (10.25) | (35.37) |
| Other financial liabilities | (6.06) | (1.44) | (0.02) | (0.68) | (8.20) |
| Net assets/(liabilities) | 612.81 | 289.68 | 9.57 | 11.89 | 923.95 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2021:

| Particulars | US Dollars | Euros | Pound Sterling | Other currencies | Total |
|--|---------------|---------------|----------------|------------------|-----------------|
| Cash and cash equivalents | 197.07 | 48.55 | 7.60 | - | 253.22 |
| Trade receivables | 334.50 | 179.03 | 1.47 | 65.99 | 580.99 |
| Other financial assets (including loan and unbilled revenue) | 372.32 | 42.73 | 5.00 | 19.42 | 439.47 |
| Trade payables | 7.23 | (15.38) | (1.32) | (4.92) | (14.39) |
| Other financial liabilities | (13.07) | 62.60 | 3.31 | (85.15) | (32.31) |
| Net assets/(liabilities) | 898.05 | 317.53 | 16.06 | (4.66) | 1,226.98 |

The above figures exclude amounts in local currency of foreign subsidiaries.

For the year ended 31 March 2022, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.14% / (0.14)%.

For the year ended 31 March 2021, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.23% / (0.23)%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Group has hedged its cash flows. The Group enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Group's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following are the outstanding GBP/USD/EUR: INR Currency Exchange Contracts entered into by the Group which has been designated as Cash Flow Hedges:

| Particulars | 31 March 2022 | | 31 March 2021 | |
|-------------|------------------|----------|------------------|----------|
| | Foreign Currency | ₹ | Foreign Currency | ₹ |
| EUR | 2.75 | 249.15 | 7.00 | 600.47 |
| USD | 93.90 | 7,277.81 | 83.00 | 6,067.72 |
| GBP | 4.95 | 519.75 | 1.00 | 100.79 |

The forward contracts entered have maturity between 30 days to 11 months from the Balance Sheet date.

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance at the beginning of the year | 127.39 | (191.49) |
| Gains/(losses) recognised in other comprehensive income | 68.73 | 170.23 |
| Amounts reclassified to statement of profit and loss | (170.24) | 294.35 |
| Deferred tax on fair value of effective portion of cash flow hedges | 25.55 | (145.70) |
| Balance at the end of the year | 51.43 | 127.39 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and bank deposits. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------------|---------------|
| Fixed rate instruments | | |
| Financial assets | 1,334.49 | 2,384.18 |

25.4 The Group have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

25.5 The Group have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

26 SEGMENT INFORMATION

Birlasoft Limited provides software development and IT consulting to its customers predominantly in Banking, Financial Services and Insurance, Life Sciences and Services, Energy Resources and Utilities and Manufacturing (which mainly includes Discrete Manufacturing, Hi-Tech & Media, Auto and Consumer packaged goods). The customers in these verticals are located at US/ Europe/ APAC region. To enable the Group to serve their specific needs, the Group has set up legal entities in the respective geographies. The business is structured in such a way that the predominantly customer front ending and bidding process is carried out by these legal entities.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

A) Vertical segments

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise:

- Manufacturing,
- Banking, Financial Services and Insurance (BFSI),
- Energy and Utilities,
- Life Sciences

Revenue, Income and expenses directly attributable to segments are reported under each reportable segment. All other Income and expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

| | 31 March 2022 | | | | 31 March 2021 | | | | | |
|---|------------------|---------------------------|-----------------|-----------------|------------------|---------------------------|-----------------|-----------------|-----------------|------------------|
| | Manufacturing | BFSI Energy and Utilities | Life Sciences | Total | Manufacturing | BFSI Energy and Utilities | Life Sciences | Total | | |
| a) Segment Revenue | | | | | | | | | | |
| Revenue from External customers | 18,494.09 | 7,260.99 | 6,097.17 | 9,451.25 | 41,303.50 | 14,674.91 | 6,429.89 | 5,375.36 | 9,077.04 | 35,557.20 |
| Total Segment Revenue | 18,494.09 | 7,260.99 | 6,097.17 | 9,451.25 | 41,303.50 | 14,674.91 | 6,429.89 | 5,375.36 | 9,077.04 | 35,557.20 |
| b) Segment Results | 5,071.66 | 1,948.39 | 2,325.67 | 1,180.86 | 10,526.58 | 4,488.31 | 1,815.59 | 2,145.89 | 1,536.46 | 9,986.25 |
| Unallocated Corporate expenses (Net) | | | | | (4,551.26) | | | | | (5,541.75) |
| Interest income | | | | | 322.39 | | | | | 231.15 |
| Finance Cost | | | | | (130.16) | | | | | (130.44) |
| Dividend income | | | | | 0.44 | | | | | 2.78 |
| Exceptional Items | | | | | (1.37) | | | | | - |
| Profit before tax | | | | | 6,166.62 | | | | | 4,547.99 |
| Income Tax | | | | | (1,523.68) | | | | | (1,172.95) |
| Deferred Tax | | | | | (6.56) | | | | | (166.73) |
| Profit/ (Loss) after Tax | | | | | 4,636.38 | | | | | 3,208.31 |
| c) Depreciation / Amortisation | | | | | 765.10 # | | | | | 803.71 # |
| d) Non cash expenses other than Depreciation / Amortisation | | | | | - # | | | | | - # |

B) Geographical Segments

| | 31 March 2022 | | | | 31 March 2021 | | | |
|------------------------|---------------|-------------|---------------|-----------|---------------|-------------|---------------|-----------|
| | USA | UK & Europe | Rest of World | Total | USA | UK & Europe | Rest of World | Total |
| a) Segment Revenue | 33,894.08 | 4,551.45 | 2,857.97 | 41,303.50 | 27,470.77 | 4,762.06 | 3,324.61 | 35,557.44 |
| b) Non current assets* | 3,660.82 | 882.04 | 3,334.56 | 7,877.42 | 3,569.60 | 792.50 | 3,292.38 | 7,654.48 |

* Non-current assets include assets other than financial instruments, deferred tax assets and post employment benefit assets which include amounts expected to be recovered more than twelve months after the reporting period.

The cost incurred during the year to acquire Segment fixed assets, Depreciation / Amortisation and non-cash expenses are not attributable to any reportable segment.

C) Major customer

Revenue from one customer, Nil (Previous year ₹ 3,768.88 million)(Life Science and Services segment), individually accounts for more than 10% of group's revenue.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

27 DISCLOSURE RELATING TO ENTITIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS

| Name of entity | Net assets i.e. total assets minus total liabilities | | Share in profit or (loss) | | Share in other comprehensive income (OCI) | | Share in total comprehensive income (TCI) | |
|---|--|------------------|---------------------------------------|-----------------|---|-----------------|---|-----------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or (loss) | Amount | As % of consolidated OCI | Amount | As % of consolidated TCI | Amount |
| A Parent Company: | | | | | | | | |
| Birlasoft Limited | 61.51% | 15,889.21 | 63.85% | 2,960.48 | -34.74% | (102.34) | 57.96% | 2,858.14 |
| (A) | | 15,889.21 | | 2,960.48 | | (102.34) | | 2,858.14 |
| B Subsidiaries: | | | | | | | | |
| I Foreign subsidiaries: | | | | | | | | |
| 1 Birlasoft Solutions Inc. | 23.17% | 5,986.04 | 7.82% | 362.40 | 190.59% | 561.49 | 18.74% | 923.89 |
| 2 Birlasoft Solutions France | 1.75% | 451.55 | -1.31% | (60.90) | 3.28% | 9.66 | -1.04% | (51.24) |
| 3 Birlasoft Computer Corporation, USA | 4.06% | 1,049.19 | 2.16% | 100.24 | -11.91% | (35.10) | 1.32% | 65.14 |
| 4 Birlasoft Solutions ME FZE | 0.70% | 181.01 | -0.27% | (12.41) | -0.79% | (2.33) | -0.30% | (14.74) |
| 5 Birlasoft Solutions Ltda (Subsidiary of Birlasoft Solutions Inc.) | 0.50% | 128.30 | 1.10% | 51.10 | -2.71% | (7.97) | 0.87% | 43.13 |
| 6 Birlasoft Consulting Inc. (Subsidiary of Birlasoft Solutions Inc.) | 0.70% | 179.62 | 2.21% | 102.43 | -1.76% | (5.18) | 1.97% | 97.25 |
| 7 Birlasoft Solutions Mexico, S.A. DE C.V. (Subsidiary of Birlasoft Solutions Inc.) | -0.02% | (6.25) | -0.21% | (9.64) | 0.05% | 0.16 | -0.19% | (9.48) |
| 8 Birlasoft Technologies Canada Corporation (Subsidiary of Birlasoft Computer Corporation, USA) | 4.35% | 1,124.87 | 2.40% | 111.20 | -15.58% | (45.91) | 1.32% | 65.29 |
| 9 Birlasoft Solutions GmbH (Subsidiary of Birlasoft Solutions Limited) | -0.09% | (24.49) | 0.35% | 16.03 | -0.32% | (0.93) | 0.31% | 15.10 |
| 10 Birlasoft Solutions Limited | 0.93% | 241.16 | 1.52% | 70.40 | 0.91% | 2.69 | 1.48% | 73.09 |
| 11 Birlasoft Inc. | 17.32% | 4,474.90 | 21.04% | 975.60 | -47.72% | (140.59) | 16.93% | 835.01 |
| 12 Enable Path LLC | -1.75% | (451.98) | -0.60% | (27.85) | 12.61% | 37.14 | 0.19% | 9.29 |
| 13 Birlasoft (UK) Limited | 0.63% | 163.98 | -0.70% | (32.41) | 0.73% | 2.16 | -0.61% | (30.25) |
| 14 Birlasoft GmbH | 0.00% | - | 0.00% | (0.14) | 0.00% | 0.01 | 0.00% | (0.13) |
| 15 Birlasoft Sdn Bhd | 0.10% | 26.90 | 0.11% | 5.05 | 0.06% | 0.19 | 0.11% | 5.24 |
| (B) | | 13,524.80 | | 1,651.10 | | 375.49 | | 2,026.59 |
| C Consolidation adjustments including intercompany eliminations | -13.87% | (3,583.51) | 0.53% | 24.80 | 7.28% | 21.46 | 0.94% | 46.26 |
| D Total (A+B+C) | | 25,830.50 | | 4,636.38 | | 294.61 | | 4,930.99 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

28 OTHER EQUITY

i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

ii) Capital redemption reserve

Represents the nominal amount of the preference share capital on redemption of 400,000, 0.01% cumulative redeemable preference shares.

iii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

iv) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

v) Share based payment reserve

The Group has established various equity-settled share based payment plans for certain categories of employees of the Group. Refer note 35 for further details.

vi) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

29 DISCLOSURES AS PER IND AS 115 - REVENUE FROM CONTRACT WITH CUSTOMERS

a Disaggregation of revenue from contracts with customers

For disaggregation of the Group's revenue from contracts with customers, refer note 26 - Segment Information.

b Trade receivables and Contract balances:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Trade Receivables | 6,811.55 | 5,182.31 |
| Contract asset (including unbilled revenue) | 4,528.06 | 3,595.40 |
| Unearned Revenue | 882.56 | 629.77 |

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related services are performed. Revenue for fixed price maintenance and support services contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

| Changes in contract asset (including Unbilled Revenue) | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance at the beginning of the year | 3,595.40 | 1,770.84 |
| Revenue recognised net of invoices raised during the year | 932.66 | 1,824.56 |
| Balance at the end of the year | 4,528.06 | 3,595.40 |

The unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognized when rights become unconditional.

| Changes in unearned revenue | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance at the beginning of the year | 629.77 | 720.47 |
| Revenue recognised net of unearned revenue for the year | (252.79) | 90.70 |
| Balance at the end of the year | 882.56 | 629.77 |

c Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------|---------------|---------------|
| Within one year | 3,594.13 | 2,925.94 |
| More than one year | 10,227.04 | 12,157.58 |

- d. The Group recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Opening Balance | 82.32 | 96.72 |
| Cost incurred during the year qualifying as contract fulfilment cost | 391.05 | - |
| Amortized in the reporting period | 159.61 | 14.40 |
| Closing balance | 313.76 | 82.32 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

30 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS" ARE AS UNDER :

1 Defined contribution plan – Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 502.08 million (Previous Year ₹ 365.03 million).

2 Defined benefit plan

Defined benefit plan - unfunded

During the previous year, company has transitioned from un-funded to funded plan for defined benefit plan.

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

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | - | 278.89 |
| On account of transition to defined benefit plan - funded | - | (278.89) |
| Present value of defined benefit obligation at the end of the year | - | - |

Defined benefit plan - Funded

This defined benefit plans pertained to Birlasoft (India) Limited. This was transferred from Transferor Company as a part of the Composite Scheme of arrangement. This comprises gratuity, which is fully funded.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days of last drawn salary for each completed year of service with a vesting period of 5 years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

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

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | 540.24 | 199.96 |
| On account of transition to defined benefit plan - funded | - | 278.89 |
| Current service cost | 84.02 | 75.39 |
| Interest cost | 35.06 | 31.56 |
| Actuarial loss / (gain) recognised in other comprehensive income | | |
| a) changes in demographic assumptions | (0.23) | - |
| b) changes in financial assumptions | 25.90 | 4.27 |
| c) experience adjustments | 8.38 | (1.80) |
| Benefits paid | (92.42) | (48.03) |
| Present value of defined benefit obligation at the end of the year | 600.95 | 540.24 |

Changes in the plan assets representing reconciliation of opening and closing balances thereof are as follows :

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Fair value of plan assets at the beginning of the year | 218.56 | 188.31 |
| Actual return on plan assets | 14.18 | 12.41 |
| Fund Charges | - | - |
| Employer contribution | 25.00 | 17.66 |
| Benefits paid | - | (3.50) |
| Bank Balance in Gratuity Trust Bank account | (1.20) | 3.68 |
| Fair value of plan assets at the end of the year | 256.54 | 218.56 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

| Analysis of defined benefit obligation | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Present value of obligation as at the end of the year | 600.95 | 540.24 |
| Fair value of plan assets | 256.54 | 218.56 |
| Net liability recognized in the Balance Sheet | 344.41 | 321.68 |

| Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Current service cost | 84.02 | 75.39 |
| Interest cost (net) | 20.88 | 19.15 |
| Expenses recognized in the Statement of Profit and Loss | 104.90 | 94.54 |

| Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI) | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Actuarial loss / (gain) | 34.05 | 2.47 |
| Actuarial loss / (gain) for the year on assets | 1.20 | (3.68) |
| Net (income) / expense recognized in the OCI | 35.25 | (1.21) |

| Actuarial assumptions: | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| Discount rate | 6.84% | 6.49% |
| Salary escalation | 6.00% | 5.00% |
| Attrition Rate | | |
| - 2 years and below | 25.00% | 25.00% |
| - 3 years to 4 years | 20.00% | 20.00% |
| - 5 years and above | 7.50% | 7.50% |

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Major categories of plan assets (as percentage of total plan assets)

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------|---------------|---------------|
| Funds managed by insurer | 100% | 100% |

Expected contribution for the next Annual reporting period.

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Service cost | 130.26 | 84.02 |
| Net interest cost | 23.56 | 20.88 |
| Expected expense for the next annual reporting period | 153.82 | 104.90 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Projected benefit obligation on current assumptions | 31 March 2022 | | 31 March 2021 | |
|---|----------------------------|----------|----------------------------|----------|
| | Defined benefit obligation | | Defined benefit obligation | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1 % movement) | (45.48) | 51.46 | (40.16) | 46.23 |
| Future salary growth (1 % movement) | 53.52 | (47.91) | 45.37 | (40.51) |
| Demographic Assumptions (1 % movement) | 0.45 | (0.83) | 2.89 | (3.52) |

Sensitivities due to mortality & withdrawals are not material and hence impact of change due to these is not calculated.

Maturity profile of defined benefit plan

| Projected benefits payable in future years from the date of reporting | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Within 1 year | 42.77 | 40.27 |
| 1-2 year | 45.19 | 42.17 |
| 2-3 year | 46.96 | 43.73 |
| 3-4 year | 48.38 | 45.35 |
| 4-5 year | 51.38 | 45.50 |
| 5-6 year | 259.72 | 226.05 |
| Thereafter | 693.43 | 578.40 |

Weighted average assumptions used to determine net periodic benefit cost

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Number of active members | 10,443 | 9,463 |
| Per month salary cost for all active members (₹ million) | 371.28 | 284.60 |
| Weighted average duration of the projected benefit obligation (years) | 10.00 | 9.00 |
| Average expected future service (years) | 7.00 | 7.00 |
| Projected benefit obligation (PBO) | 600.95 | 540.24 |

31 RELATED PARTY DISCLOSURES

A. Relationship between the parent and its subsidiaries

| S r . No. | Name of the subsidiary | Country of Incorporation | % voting power held | |
|------------------------------|--|--------------------------|---------------------|---------------------|
| | | | As at 31 March 2022 | As at 31 March 2021 |
| Direct subsidiaries | | | | |
| 1 | Birlasoft Solutions Inc | United States of America | 100 | 100 |
| 2 | Birlasoft Solutions France | France | 100 | 100 |
| 3 | Birlasoft Computer Corporation, USA | United States of America | 100 | 100 |
| 4 | Birlasoft Solutions ME FZE | United Arab Emirates | 100 | 100 |
| 5 | Birlasoft Solutions Limited | United Kingdom | 100 | 100 |
| 6 | Birlasoft Sdn Bhd | Malaysia | 100 | 100 |
| 7 | Birlasoft Inc. | United States of America | 100 | 100 |
| Indirect subsidiaries | | | | |
| 8 | Birlasoft Solutions Ltda (Subsidiary of Birlasoft Solutions Inc, USA) | Brazil | 100 | 100 |
| 9 | Birlasoft Consulting Inc. (Subsidiary of Birlasoft Solutions Inc, USA) | United States of America | 100 | 100 |
| 10 | Birlasoft Solutions Mexico, S.A. DE C.V. (Subsidiary of Birlasoft Solutions Inc, USA) | Mexico | 100 | 100 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

| S r . No. | Name of the subsidiary | Country of Incorporation | % voting power held | |
|---|--|--------------------------|------------------------|------------------------|
| | | | As at 31 March 2022 | As at 31 March 2021 |
| 11 | Birlasoft Technologies Canada Corporation (Subsidiary of Birlasoft Computer Corporation, USA) | Canada | 100 | 100 |
| 12 | Birlasoft Solutions GmbH (Subsidiary of Birlasoft Solutions Limited) | Germany | 100 | 100 |
| 13 | Enable Path LLC (Subsidiary of Birlasoft Inc.) | United States of America | 100 | 100 |
| 14 | Birlasoft (UK) Limited (Subsidiary of Birlasoft Inc.) | United Kingdom | 100 | 100 |
| 15 | Birlasoft GmbH (Subsidiary of Birlasoft (UK) Limited)# | Germany | N.A. | 100 |
| Enterprise having significant influence over the entity | | | | |
| 16 | National Engineering Industries Limited | India | N.A. | N.A. |
| Public Company in which a director is a director and holds, along with his relatives, greater than 2% of its paid-up share capital | | | | |
| 17 | Orient Cement Limited | India | N.A. | N.A. |
| 18 | Orient Electric Limited | India | N.A. | N.A. |

B. List of Key Management Personnel :

| Key Management Personnel (KMP) | Name | Designation |
|--------------------------------|---|---|
| | Amita Birla | Chairperson and Non-Executive Director |
| | C. K. Birla | Non-Executive Director |
| | Anant Talaulicar | Independent Director |
| | Alka Bharucha | Independent Director |
| | Ashok Barat | Independent Director |
| | Nandita Gurjar | Independent Director |
| | Dharmander Kapoor | Chief Executive Officer & Managing Director |
| | Chandrasekar Thyagarajan (w.e.f. 21 August 2020) | Chief Financial Officer |
| | Sneha Padve | Company Secretary |

C. List of other related parties with whom there are transactions

CK Birla Corporate Services Limited*

D. List of relatives of Director's and KMP's

Siddhant Padve

* As the company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'Group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction is being reported as a 'related party transaction' under the applicable accounting standards.

During the year, Birlasoft GmbH, a wholly owned step-down subsidiary of the Company has been liquidated.

E. Summary of transactions with related parties

| Particulars | Directors interested companies | | KMP | | Relatives of Director's and KMP's | | Others | | Total 31 Mar 2022 | Total 31 Mar 2021 |
|--|--------------------------------|-----------|-----------|-----------|-----------------------------------|-----------|-----------|-----------|-------------------------|-------------------------|
| | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | 31-Mar-22 | 31-Mar-21 | | |
| I Transaction during the year | | | | | | | | | | |
| Sales | 12.41 | 7.70 | - | - | - | - | 8.57 | 8.30 | 20.98 | 16.00 |
| Reimbursement of Expenses | - | - | 0.20 | 0.14 | - | - | - | - | 0.20 | 0.14 |
| Other Expenses | - | - | - | - | - | - | 51.26 | 46.07 | 51.26 | 46.07 |
| Dividend | - | - | 2.42 | 1.21 | - | - | 451.63 | 225.81 | 454.05 | 227.02 |
| Remuneration (including salary, perquisites, employment benefit plans) | - | - | 244.18 | 69.80 | 0.36 | 0.03 | - | - | 244.54 | 69.83 |
| Commission and sitting fees paid | - | - | 27.17 | 32.39 | - | - | - | - | 27.17 | 32.39 |
| II Outstanding Balance at year end | | | | | | | | | | |
| Trade Receivable | 2.58 | 3.30 | - | - | - | - | 2.14 | 8.27 | 4.72 | 11.57 |
| Other Receivable / (Payable) | - | - | 1.80 | 1.50 | - | - | 0.21 | (10.10) | 2.01 | (8.60) |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

F. Transactions with related parties

| Relationship | Transaction | Related party name | 31 March 2022 | 31 March 2021 | |
|-----------------------------------|----------------------------------|---|---------------|---------------|--------------|
| Directors interested companies | Sales | Orient Cement Limited | 1.17 | 1.69 | |
| | | Orient Electric Limited | 11.24 | 6.00 | |
| | | | 12.41 | 7.69 | |
| KMP | Reimbursement of Expenses | Chandrasekar Thyagarajan | 0.07 | 0.01 | |
| | | Dharmander Kapoor | 0.10 | 0.09 | |
| | | Sneha Padve | 0.03 | 0.04 | |
| | | | | 0.20 | 0.14 |
| | Remuneration | Chandrasekar Thyagarajan | 31.73 | 11.99 | |
| | | Dharmander Kapoor | 201.09 | 53.04 | |
| | | Sneha Padve | 11.36 | 4.77 | |
| | | | | 244.18 | 69.80 |
| | Commission and sitting fees paid | Alka Bharucha | 3.05 | 2.60 | |
| | | Amita Birla | 10.67 | 11.17 | |
| Anant Talaulicar | | 3.70 | 3.70 | | |
| Ashok Kumar Barat | | 4.00 | 3.95 | | |
| Chandrakant Birla | | 2.50 | 2.50 | | |
| Nandita Gurjar | | 3.25 | 3.25 | | |
| Prasad Thrikutam | | - | 5.22 | | |
| | | | 27.17 | 32.39 | |
| Dividend | Dharmander Kapoor | 2.42 | 1.21 | | |
| | Sneha Padve | 0.00* | 0.00* | | |
| | | | 2.42 | 1.21 | |
| Relatives of Director's and KMP's | Remuneration | Siddhant Padve | 0.36 | 0.03 | |
| Others | Dividend | National Engineering Industries Limited | 430.95 | 215.47 | |
| | | Central India Industries Ltd. | 20.68 | 10.34 | |
| | | | 451.63 | 225.81 | |
| | Other Expenses | CK Birla Corporate Services Limited | 51.26 | 46.07 | |
| | Sales | CK Birla Corporate Services Limited | 8.57 | 8.30 | |

*Since denominated in ₹ Million

32 LEASE TRANSACTIONS

Following is the movement in lease liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------|-----------------|-----------------|
| Opening Balance | 1,281.10 | 1,450.27 |
| Additions | 246.44 | 250.03 |
| Finance cost during the period | 99.40 | 109.23 |
| Deletions | - | 122.35 |
| Payment of lease liabilities | 404.71 | 401.88 |
| Exchange difference | 6.06 | (4.20) |
| Closing Balance | 1,228.29 | 1,281.10 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

The following is breakup of current and non-current lease liabilities

| Particulars | 31 March 2022 | 31 March 2021 |
|-------------------------------|-----------------|-----------------|
| Current lease liabilities | 316.71 | 282.27 |
| Non-current lease liabilities | 911.58 | 998.83 |
| Total | 1,228.29 | 1,281.10 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

| Particulars | 31 March 2022 | 31 March 2021 |
|----------------------|-----------------|-----------------|
| Less than one year | 405.43 | 372.74 |
| One to five years | 986.97 | 1,125.32 |
| More than five years | 1.98 | 20.81 |
| Total | 1,394.38 | 1,518.87 |

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Amount recognised in profit and loss statement :

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Finance cost on lease liabilities | 99.40 | 109.23 |
| Expense relating to short term leases | 22.05 | 24.40 |
| Expense relating to leases of low value assets excluding short term leases of low value assets | 1.16 | 1.23 |
| Expenses relating to variable lease payments not included in measurement of lease liabilities | 4.43 | 13.50 |
| Total | 127.04 | 148.36 |

Amount recognised in profit and loss statement

| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Repayment of lease liabilities | 405.22 | 394.87 |
| Total | 405.22 | 394.87 |

33 BASIC AND DILUTED EARNINGS PER SHARE

| Particulars | | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|---------------|
| Nominal value per equity share | ₹ | 2.00 | 2.00 |
| Profit for the year | ₹ (million) | 4,636.38 | 3,208.31 |
| Weighted average number of equity shares outstanding at the end of the year | No. of shares | 278,842,047 | 278,276,327 |
| Earnings per share – basic | ₹ | 16.63 | 11.53 |
| Effect of dilutive potential equity shares - | | | |
| Weighted average number of diluted equity shares outstanding at the end of the year | No. of shares | 282,193,793 | 284,165,737 |
| Earnings per share – diluted | ₹ | 16.43 | 11.29 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

34 DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS AS REQUIRED BY THE IND-AS 37 ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

1 Contingent liabilities

Taxes and guarantees

| Sr. No. | Particulars | 31 March 2022 | 31 March 2021 |
|---------|---|---------------|---------------|
| 1 | Outstanding bank guarantees in routine course of business | 96.88 | 129.45 |
| 2 | Service Tax matters (excluding interest and penalty) (Refer note (i) below) | 685.45 | 685.45 |
| 3 | VAT matters | - | 6.42 |
| 4 | Income tax matters (refer note (ii) below) | 697.68 | 693.19 |
| 5 | Other matters (Refer note (iii) below) | 32.49 | 37.32 |

Note:

(i) Service tax matters

a. The Company has received a show cause cum demand notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2014 to March 2015 demanding service tax relating to:

- ₹ 169.34 million (Previous year ₹ 169.34 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.

- ₹ 13.07 million (Previous year ₹ 13.07 million) towards the amount of expenditure made in foreign currency in respect of category II and III services.

b. The Company has received a show cause notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2010 to June 2012 demanding service tax relating to:

- ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses.

The Company has filed an Appeal with Customs, Excise and Service Tax Appellate Tribunal, Mumbai for all the above matters.

c. Department has filed an appeal against the Company in the following cases:

- ₹ 469.65 million (Previous year ₹ 469.65 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company for the period October 2006 to March 2014, under the head 'Business Auxiliary Services' and expenditure made in foreign currency in respect of category II and III services with the Hon'ble Supreme Court of India.

- ₹ 28.60 million (Previous year ₹ 28.60 million) towards Service Tax refund granted for the period April 2006 to March 2008 with the Hon'ble Bombay High Court.

(ii) Income tax matters

The Income Tax Department has filed appeals for various years with Hon'ble Delhi High Court predominantly contesting a) the set off of losses of STP unit against Non STP unit b) deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 and c) the Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is 601.90 million.

The Company has filed appeals with various appellate authorities for different assessment years. The key items for which appeals are filed are a) allowability of deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 b) deduction under section 36 of the Income-tax Act, 1961, with respect to deposit of dues c) disallowance of rent equalization reserve d) tax withholding obligations and e) Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 95.78 million (previous year ₹ 91.29 million)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

(iii) Other matters

- a. These matters pertain to the transferee company acquired pursuant to the composite scheme.
- ₹ 19.47 million (excluding interest) arising out of the Order passed by District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 12.98 million for alleged short payment of stamp duty along with penalty of ₹ 6.49 million in respect of the office space taken (since vacated) at D-195, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The matter has been remanded back by Hon'ble Supreme Court to Hon'ble Allahabad High Court for hearing it afresh. The matter is presently pending before Hon'ble Allahabad High Court.
- b. ₹ 7.20 million (excluding interest) arising out of the Order passed by Additional District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 6.20 million for alleged short payment of stamp duty along with penalty of ₹ 1.00 million in respect of the office space taken (since vacated) at H-9, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The Company has filed a Writ petition before Hon'ble Allahabad High Court for quashing of the Order.
- c. ₹ 1.08 million arising out of the Demand Notice issued by Tamil Nadu Electricity Board, Chennai on account of purported short levy due to tariff difference. The Company has filed a Writ petition before the Hon'ble Madras High Court at Chennai, challenging such a demand. The matter is presently pending before the Hon'ble Madras High Court.
- d. ₹ 2.40 million (BRL 150,277) arising out of claim made by one of the previous customer in Brasilia Civil Court on erstwhile KPIT Technologies Solucoes EM Informatica Ltda. (now renamed, Birlasoft Solutions Ltda) and on SAP Brasil Ltda for alleged loss suffered by such customer arising from a dispute on a project/contract. The matter has been transferred and is presently pending before Civil Court of Sao Paulo.

- 2 As per Ind AS 37, the Group has made provision for future lease restoration expense of ₹ 3.92 million (Previous year ₹ 3.41 million) in respect leased premises. The same is expected to be utilized at the end of the lease period in 2026.

| Sr. No. | Particulars | 31 March 2022 | 31 March 2021 |
|---------|---|---------------|---------------|
| 1 | Carrying amount as at beginning of the year | 3.41 | 3.36 |
| 2 | Additional provision made during the year | 0.51 | 0.05 |
| 3 | Amount paid/utilized during the year | - | - |
| 4 | Carrying amount as at end of the year | 3.92 | 3.41 |

3 Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 387.56 million (Previous Year ₹ 105.22 million)
- b. Intangibles - ₹ 23.42 million (Previous Year ₹ Nil)

35 SHARE BASED PAYMENTS**1 Employee Stock Option Plan – 2006**

The Board of Directors and the shareholders of the Group approved another Employees Stock Option Plan at their meeting in July 2006 and in August 2006, respectively. Pursuant to this approval, the Group instituted ESOP 2006, Plan in October, 2006. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 460,400 | 58.53 | 784,155 | 58.14 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered / Adjusted during the year | 22,850 | 58.74 | 7,750 | 53.23 |
| Exercised during the year | 231,300 | 58.33 | 294,605 | 57.78 |
| Lapsed during the year | 15,450 | 58.74 | 21,400 | 53.23 |
| Options outstanding at the end of year | 190,800 | 58.74 | 460,400 | 58.53 |
| Options exercisable at the end of the year | 190,800 | 58.74 | 460,400 | 58.53 |

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 435.78 (Previous year ₹ 187.08).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | NIL | NIL | NIL | 8,000 |
| ₹ 50 to ₹ 100 | 1.06 | 190,800 | 1.55 | 452,400 |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2022 and 31 March 2021.

The Group recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

2 Employee Stock Option Plan – 2015

The Board of Directors and the shareholders of the Group approved another Employee Stock Option Plan at their meeting in April 2015 and August, 2015, respectively. Pursuant to this approval, the Group instituted ESOP 2015 Plan in August 2015. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the fair market value. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 385,900 | 59.95 | 496,800 | 60.78 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered during the year | 30,000 | 58.74 | - | - |
| Exercised during the year | 183,750 | 58.74 | 74,400 | 66.06 |
| Lapsed during the year | 10,950 | 58.74 | 36,500 | 58.74 |
| Options outstanding at the end of year | 161,200 | 61.64 | 385,900 | 59.95 |
| Options exercisable at the end of the year | 161,200 | 61.64 | 385,900 | 59.95 |

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ 436.46 (Previous year ₹ 210.82).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | NIL | NIL | NIL | NIL |
| ₹ 50 to ₹ 100 | 1.22 | 161,200 | 1.68 | 385,900 |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2022 and 31 March 2021.

The Group recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

3 Employee Stock Option Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in February 2019. Pursuant to this approval, the Company instituted ESOP 2019 Plan in February 2019. The compensation committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option Granted under ESOP 2019 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of Grant. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 990,233 | 3.10 | 1,589,016 | 3.10 |
| Granted during the year | - | - | - | - |
| Forfeited / surrendered during the year | - | - | 21,266 | 3.10 |
| Exercised during the year | 775,558 | 3.10 | 577,517 | 3.10 |
| Lapsed during the year | - | - | - | - |
| Options outstanding at the end of year | 214,675 | 3.10 | 990,233 | 3.10 |
| Options exercisable at the end of the year | 214,675 | 3.10 | 990,233 | 3.10 |

The weighted average share price of the options exercised under Employees Stock Option Scheme -2019 on the date of exercise during the year was ₹ 349.55 (Previous year ₹ 133.32).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | 2.31 | 214,675 | 3.73 | 990,233 |
| ₹ 50 to ₹ 100 | NIL | NIL | NIL | NIL |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. There has been no grant of options under the plan for the year ended 31 March 2022 and 31 March 2021.

The Group recorded an employee compensation cost of Nil (Previous year ₹ 21.70 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

4 Share Incentive Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in November 2019. Pursuant to this approval, the Group instituted Share Incentive Plan 2019 in November 2019. The compensation committee of the Group administers this Plan. Each option carries with it the right to purchase one equity share of the Group. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. The vesting of the options is 50% and 50% of total options granted after end of second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Options outstanding at the beginning of the year | 6,648,575 | 79.66 | 6,192,931 | 62.40 |
| Granted during the year | 2,353,500 | 423.56 | 942,644 | 183.92 |
| Forfeited / surrendered during the year | 1,463,500 | 97.12 | 487,000 | 61.95 |
| Exercised during the year | 1,228,822 | 62.34 | - | - |
| Lapsed during the year | - | - | - | - |
| Options outstanding at the end of year | 6,309,753 | 207.26 | 6,648,575 | 79.66 |
| Options exercisable at the end of the year | 1,195,644 | NA | - | - |

The weighted average share price of the options exercised under Share Incentive Plan - 2019 on the date of exercise during the year was ₹ 457.52 (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|----------------------------|---|----------------------------|
| | Weighted average contractual life (years) | No. of Options Outstanding | Weighted average contractual life (years) | No. of Options Outstanding |
| ₹ 0 to ₹ 50 | NIL | NIL | NIL | NIL |
| ₹ 50 to ₹ 100 | 2.38 | 3,504,181 | 5.14 | 5,843,003 |
| Greater than ₹ 100 | 2.66 | 2,805,572 | 6.18 | 805,572 |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| 1. Exercise price (₹) | 423.56 | 183.92 |
| 2. Price of the underlying share in market at the time of the option grant (₹) | 423.56 | 183.92 |
| 3. Weighted average fair value of options granted (₹) | 196.55 | 79.20 |
| 4. Expected life of the option (years) | 4.16 | 3.80 |
| 5. Risk free interest rate (%) | 5.45% | 5.02% |
| 6. Expected volatility (%) | 54.23% | 54.12% |
| 7. Dividend yield (%) | 0.64% | 1.47% |

The Group recorded an employee compensation cost of ₹ 94.05 million (Previous year ₹ 55.63 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

5 Share Incentive Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in November 2019. Pursuant to this approval, the Group instituted Share Incentive Plan 2019 in November 2019. The compensation committee of the Group administers this Plan. Each Restricted Stock Unit carries with it the right to purchase one equity share of the Group. The Units have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such unit. The vesting of the options is 50% and 50% of total units granted after end of second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

Number and weighted average exercise prices of units granted, exercised and cancelled/lapsed during the financial year

| Particulars | 31 March 2022 | | 31 March 2021 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | No. of shares | Weighted average exercise price | No. of shares | Weighted average exercise price |
| Units outstanding at the beginning of the year | 1,644,863 | 2.00 | 1,233,647 | 2.00 |
| Granted during the year | - | - | 411,216 | 2.00 |
| Forfeited / surrendered during the year | - | - | - | - |
| Exercised during the year | 205,608 | 2.00 | - | - |
| Lapsed during the year | - | - | - | - |
| Units outstanding at the end of year | 1,439,255 | 2.00 | 1,644,863 | 2.00 |
| Units exercisable at the end of the year | 411,216 | 2.00 | - | - |

The weighted average share price of the units exercised under Share Incentive Plan – 2019 on the date of exercise during the year was ₹ 521.58 (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

| Range of Exercise Price | 31 March 2022 | | 31 March 2021 | |
|-------------------------|---|--------------------------|---|--------------------------|
| | Weighted average contractual life (years) | No. of Units Outstanding | Weighted average contractual life (years) | No. of Units Outstanding |
| ₹ 0 to ₹ 50 | 4.40 | 1,439,255 | 5.30 | 1,644,863 |
| ₹ 50 to ₹ 100 | NIL | NIL | NIL | NIL |
| Greater than ₹ 100 | NIL | NIL | NIL | NIL |

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| 1. Exercise price (₹) | NA | 2.00 |
| 2. Price of the underlying share in market at the time of the option grant (₹) | NA | 123.83 |
| 3. Weighted average fair value of options granted (₹) | NA | 114.71 |
| 4. Expected life of the option (years) | NA | 3.91 |
| 5. Risk free interest rate (%) | NA | 5.07% |
| 6. Expected volatility (%) | NA | 52.59% |
| 7. Dividend yield (%) | NA | 2.05% |

The Group recorded an employee compensation cost of ₹ 38.01 million (Previous year ₹ 34.42 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

36 INCOME TAXES

The income tax expense consists of following:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Tax expense | | |
| 1 Income tax charged to statement of profit and loss | | |
| Tax on the profit | 1,523.68 | 1,172.95 |
| Total current tax charge (a) | 1,523.68 | 1,172.95 |
| 2 Deferred tax charge | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | 6.56 | 166.73 |
| Total deferred tax charge (b) | 6.56 | 166.73 |
| Total tax charge (a + b) | 1,530.24 | 1,339.68 |

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|-----------------|-----------------|
| Profit before tax | 6,166.62 | 4,547.99 |
| Indian statutory income tax rate | 25.17% | 25.17% |
| Expected tax expense | 1,552.14 | 1,144.73 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense | | |
| Effect relating to prior years | (43.49) | (41.56) |
| MAT credit written off due to change in tax regime | - | 128.03 |
| Effect of permanent adjustments | (77.69) | (18.33) |
| Effect of differential overseas tax rates | 62.22 | 44.26 |
| Effect of change in tax regime | - | 72.15 |
| Effect of unrecognized deferred tax assets | 20.22 | (3.79) |
| Others (net) | 16.84 | 14.19 |
| Total income tax expense | 1,530.24 | 1,339.68 |

Some subsidiaries of the Group have unabsorbed depreciation and losses under respective local tax laws and it is not probable that taxable profits will be available in the future. Hence, deferred tax assets on temporary differences have been recognized only to the extent of deferred tax liabilities. The amount of such unrecognized deferred tax assets is ₹ 16.13 million (Previous year - ₹ 6.10 million).

Deferred Tax

The gross movement in the deferred income tax account for the year ended 31 March 2022 is as follows:

| Particulars | Opening Balance | Recognised through Profit & Loss | Recognised in/ reclassified from OCI | Translation Difference | Closing Balance |
|--|-----------------|----------------------------------|--------------------------------------|------------------------|-----------------|
| Deferred tax asset/(liabilities) in relation to: | | | | | |
| -Provision for doubtful debts and advances | 95.73 | 1.13 | - | 1.27 | 98.13 |
| -Provision for compensated absences | 155.35 | (34.73) | - | 2.92 | 123.54 |
| -Provision for gratuity | 85.44 | - | - | - | 85.44 |
| -Excess of depreciation/amortisation on property, plant and equipment provided in books over depreciation/ amortisation as under income-tax law. | 185.73 | (25.85) | - | 2.54 | 162.42 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

| Particulars | Opening Balance | Recognised through Profit & Loss | Recognised in/ reclassified from OCI | Translation Difference | Closing Balance |
|--|-----------------|----------------------------------|--------------------------------------|------------------------|-----------------|
| -Transaction cost | 109.10 | (54.46) | - | - | 54.64 |
| -Accrued expenses | 6.66 | 4.43 | - | 0.33 | 11.42 |
| -Unearned revenue | 3.96 | 12.74 | - | 0.38 | 17.08 |
| -Lease liabilities | 317.39 | (8.32) | - | 1.48 | 310.55 |
| -Social security deferral | - | 42.19 | - | 0.79 | 42.98 |
| -Others (mainly includes employee related provision) | 262.52 | 41.21 | - | 10.94 | 314.67 |
| -Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts | (8.14) | (5.43) | - | - | (13.57) |
| -Forward contracts designated as cash flow hedges | (42.85) | - | 25.55 | - | (17.30) |
| -Right-of-use assets | (276.89) | 11.19 | - | (1.36) | (267.06) |
| -Investments in Mutual Fund at fair value through Profit & loss | - | (1.49) | - | - | (1.49) |
| -Others | (11.99) | 10.83 | - | (0.23) | (1.39) |
| Net deferred tax asset | 882.01 | (6.56) | 25.55 | 19.06 | 920.06 |

The gross movement in the deferred income tax account for the year ended 31 March 2021 is as follows:

| Particulars | Opening Balance | Recognised through Profit & Loss | Recognised in/ reclassified from OCI | Translation Difference | Closing Balance |
|---|-----------------|----------------------------------|--------------------------------------|------------------------|-----------------|
| Deferred tax asset/(liabilities) in relation to: | | | | | |
| -Provision for doubtful debts and advances | 110.99 | (14.03) | - | (1.23) | 95.73 |
| -Provision for compensated absences | 132.16 | 26.20 | - | (3.01) | 155.35 |
| -Provision for gratuity | 97.47 | (12.03) | - | - | 85.44 |
| -Gratuity fund plan liabilities | 4.07 | (4.07) | - | - | - |
| -Excess of depreciation/amortisation on property, plant and equipment provided in books over depreciation/amortisation as under income-tax law. | 160.27 | 27.84 | - | (2.38) | 185.73 |
| -Forward contracts designated as cash flow hedges | 102.86 | - | (145.71) | - | (42.85) |
| -Transaction cost | 184.71 | (75.61) | - | - | 109.10 |
| -Accrued expenses | 131.50 | (122.45) | - | (2.39) | 6.66 |
| -Unearned revenue | - | 4.01 | - | (0.05) | 3.96 |
| -Lease liabilities | 388.72 | (70.02) | - | (1.31) | 317.39 |
| -Others (mainly includes employee related provision) | 141.91 | 126.45 | - | (5.84) | 262.52 |
| -MAT credit entitlement | 128.03 | (128.03) | - | - | - |
| -Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts | (7.62) | (0.75) | - | 0.23 | (8.14) |
| -Right-of-use assets | (358.12) | 79.99 | - | 1.24 | (276.89) |
| -Others | (16.83) | 4.38 | - | 0.46 | (11.99) |
| Net deferred tax asset | 1,200.12 | (158.12) | (145.71) | (14.28) | 882.01 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

37 GOODWILL

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU 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 on a pro-rata basis of the carrying amount of each asset in the unit.

Following is the summary of changes in carrying amount of goodwill:

| Carrying Values | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Opening balance | 4,476.28 | 4,541.47 |
| On account of business combinations during the year | - | - |
| Translation differences | 91.54 | (65.19) |
| Closing balance | 4,567.82 | 4,476.28 |

Goodwill has been allocated to the operating segments of the Group as CGUs. The recoverable amount was computed based on estimated value-in-use. The carrying amount was computed by allocating the net assets to operating segments for the purpose of impairment testing.

The estimated value-in-use is based on the future cash flows using a 4% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 14%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

(Amount in ₹ million)

38 CORPORATE SOCIAL RESPONSIBILITY

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---------------|
| A. Gross amount required to be spent by the company during the year | 49.14 | 43.37 |
| B. Amount spent during the year | 29.14 | 52.79 |
| (i) Construction/acquisition of any asset | | |
| (ii) On purposes other than (i) above | | |
| C. Shortfall at the end of the year | 20.00 | - |
| D. Total of previous years shortfall | - | - |
| E. Reason for shortfall | Refer note below | NA |
| F. Nature of CSR activities | 1. Environment Sustainability 2. Promoting & Preventive Healthcare 3. Disaster Management 4. Promoting education and skill development | |
| G. Related party transaction | NA | NA |
| H. Movement in CSR Provisions | | |
| Carrying amount as at beginning of the year | - | - |
| Provision made during the year | 20.00 | - |
| Amount paid/utilized during the year | - | - |
| Carrying amount as at end of the year | 20.00 | - |

Reason for shortfall

During the year, the Company identified and initiated an ongoing project amounting to ₹ 20.00 million, the duration of which is 18 months. The said amount being unspent as on March 31, 2022, has been transferred to the Unspent CSR Account on April 6, 2022, as required by Section 135(6) of the Companies Act, 2013.

39 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
 Partner
 Membership No. 113896

Place: Pune
 Date: May 23, 2022

**For and on behalf of the Board of Directors of
 BIRLASOFT LIMITED**
CIN: L72200PN1990PLC059594

Amita Birla
 Chairman
 DIN: 00837718

Place: New Jersey
 Date: May 23, 2022

Sneha Padve
 Company Secretary
 Place: Noida
 Date: May 23, 2022

Dharmander Kapoor
 CEO & Managing Director
 DIN: 08443715

Place: New Jersey
 Date: May 23, 2022

Chandrasekar Thyagarajan
 Chief Financial Officer
 Place: New Jersey
 Date: May 23, 2022


BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

 Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC,
Hinjawadi, Pune – 411057, India.

 Tel.: +91-20-66525000 | Fax: +91-20-66525001 | E-mail: contactus@birlasoft.com | Website: www.birlasoft.com

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of Birlasoft Limited will be held on Wednesday, August 03, 2022, at 04:00 p.m. Indian Standard Time (“IST”), through Video Conferencing/Other Audio Visual Means (“VC/OAVM”) facility, to transact the following business:

ORDINARY BUSINESS

1. Adoption of audited Financial Statements – Standalone

To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors thereon; and in this regard, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors thereon, be and are hereby received, considered and adopted.”

2. Adoption of audited Financial Statements – Consolidated

To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the report of the Auditors thereon; and in this regard, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** the audited Consolidated Financial Statements for the financial year ended March 31, 2022, together with the report of the Auditors thereon, be and are hereby received, considered and adopted.”

3. Confirmation of interim dividend and declaration of final dividend

To confirm the payment of interim dividend of ₹ 1.50/- (75%) per equity share of face value of ₹ 2/- each and to declare a final dividend of ₹ 3/- (150%) per equity share of face value of ₹ 2/- each, for the financial year ended March 31, 2022; and in this regard to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** the interim dividend of ₹ 1.50/- (75%) per equity share of face value of ₹ 2/- each on the paid-up equity share capital of the Company, for the financial year ended March 31, 2022, approved by the Board of Directors at their meeting held on October 26, 2021, and paid, be and is hereby noted and confirmed.

RESOLVED FURTHER THAT in terms of the recommendation of the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for declaration and payment of final dividend for the financial year ended March 31, 2022 at the rate of ₹ 3/- (150%) per equity share of face value of ₹ 2/- each, to be paid to those members whose names appear on the Company’s Register of Members, as on the Record Date.”

4. Re-appointment of Dharmander Kapoor as a Director liable to retire by rotation

To re-appoint Dharmander Kapoor (DIN: 08443715), who retires by rotation as a Director and being eligible, offers himself for re-appointment; and in this regard, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, and in accordance with the Articles of Association of the Company, Dharmander Kapoor (DIN: 08443715), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

5. Re-appointment of Dharmander Kapoor (DIN: 08443715) as Chief Executive Officer & Managing Director of the Company

To consider and approve re-appointment of Dharmander Kapoor (DIN: 08443715) as Chief Executive Officer (“CEO”) & Managing Director (appointed for a period of 3(three) years up to May 31, 2022) for a further period of 3 (three) years with effect from June 1, 2022, at a remuneration and such terms and conditions as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company; and in this regard, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V

thereof and rules, circulars, orders and notifications made or issued thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Dharmander Kapoor (DIN: 08443715), as the Chief Executive Officer (CEO) & Managing Director of the Company, for a further period of 3 (three) years, with effect from June 1, 2022, on the terms and conditions including remuneration, as contained in the agreement to be entered into between the Company and Dharmander Kapoor, material terms of which are set out in the explanatory statement attached hereto, with liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall include the Nomination and Remuneration Committee of the Board constituted for the purpose) to alter and vary from time to time, the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Dharmander Kapoor subject to the same not exceeding the applicable limits as specified in Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment(s) thereto.

RESOLVED FURTHER THAT Dharmander Kapoor shall continue to be liable to retire by rotation and this re-appointment shall be subject to his continuance as a Director of the Company during the term of this re-appointment.

RESOLVED FURTHER THAT any one Director, the Chief Financial Officer, the Chief People Officer and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be usual and expedient to implement this decision.”

6. Increase in the managerial remuneration limit payable to Dharmander Kapoor as CEO & Managing Director, in excess of 5% of the net profits of the Company and therefore, to increase the overall maximum managerial remuneration limit from 11% to 18% of the net profits of the Company in any financial year(s) during his tenure as CEO & Managing Director

To increase the overall maximum managerial remuneration limit payable to Dharmander Kapoor as Chief Executive Officer (“CEO”) & Managing Director of the Company (DIN: 08443715), in excess of 5% of the net profits of the Company, which is likely to be caused on account of exercise of Stock Options/Restricted Stock Units granted/to be granted to Dharmander Kapoor, and therefore, to increase the overall maximum managerial remuneration limit from 11% to 18% of the net profits of the Company in any financial year(s) during his tenure as CEO & Managing Director; and in this regard, to consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V thereof and the Rules made thereunder and applicable provisions of the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company; and subject to the approval of any other statutory authorities, as may be required in this regard, the approval of the members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to Dharmander Kapoor (DIN: 08443715), in any financial year(s) during his tenure as CEO & Managing Director, to the extent it would exceed 5% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Act, in the event of the exercise, during any financial year(s), by Dharmander Kapoor of some or all of the Stock Options and Restricted Stock Units granted/to be granted to and vested/ to be vested unto him.

RESOLVED FURTHER THAT as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to all Directors including Managing Director, Whole-Time Director and Non-Executive Directors, for any financial year(s) during the tenure of Dharmander Kapoor as CEO & Managing Director of the Company, from 11% to 18% of the net profits of the Company, and such net profit being computed in the manner as laid down in Section 198 of the Act, in view of the potential increase in the remuneration payable to Dharmander Kapoor.

RESOLVED FURTHER THAT any one Director, the Chief Financial Officer, the Chief People Officer, and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be usual and expedient to implement this decision.”

7. Approval for Birlasoft Share Incentive Plan-2022 for the employees of the Company

To consider and approve introduction and implementation of the “Birlasoft Share Incentive Plan-2022” (“SIP 2022”) as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company; and in this regard, 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 Companies (Share Capital and Debenture) Rules, 2014, read along with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB) Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), Foreign Exchange Management Act, 1999, and the rules, circulars and regulations made thereunder (“FEMA”) (including any statutory amendment(s), modification(s) or

re-enactment(s) for the time being in force), the Memorandum and Articles of Association of the Company, any other rules, regulations and guidelines issued by any other regulatory or governmental authority and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the members be and is hereby accorded to the Board of Directors [hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee designated to act as the 'Compensation Committee' under SEBI (SBEB) Regulations or their delegated authority and to exercise its powers, including the powers, conferred by this resolution] to introduce and implement the "Birlasoft Share Incentive Plan-2022" ("SIP 2022"), the salient features of which are furnished in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot equity shares of the Company having face value of INR 2/- (Indian Rupees Two) per share ("Equity Shares") through employee stock options by way of issuance of Performance Stock Units ("PSUs") and/or Restricted Stock Units ("RSUs") to subscribe to the Equity Shares ("Awards") to the employees of the Company, as per the terms of SIP 2022, whether working in India or outside India, including any managing or whole-time director(s) or non-executive director(s) who is not promoter or member of promoter group of the Company excluding independent director(s), as selected by the Board of Directors in accordance with SIP 2022 but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s), who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company ("Eligible Employees") at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with SIP 2022 and applicable law.

RESOLVED FURTHER THAT the maximum number of Equity Shares shall be granted under SIP 2022 to Eligible Employees shall not exceed 50,00,000 (Fifty Lakhs Only) (as adjusted for any corporate action and/or change in the capital structure) at such price or prices as may be determined by the Board in its sole and absolute discretion.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to formulate, evolve, decide upon and implement SIP 2022 on the terms and conditions contained therein including but not limited to terms and conditions specified under Regulation 5(3) of SEBI (SBEB) Regulations and instances where the Awards shall lapse and determine the number of Awards to be granted to the Eligible Employee(s), the exercise price, the vesting period, the acceleration of the vesting of the Awards, and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of SIP 2022 including but not limited to amendments with respect to vesting period, exercise price,

eligibility criteria, vesting schedule, vesting conditions, etc., in its absolute discretion as it deems fit, subject to applicable laws.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganization of capital structure of the Company, as the case may be, the number of Awards and/or the shares to be allotted upon exercise of the Awards shall be reasonably adjusted and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of INR 2/- (Indian Rupees Two) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Awards under SIP 2022.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company upon the exercise of PSUs/RSUs, shall rank *pari passu* in all respect including dividend with then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any variation, amendment, modification or alteration in SIP 2022, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, SEBI (SBEB) Regulations, SEBI LODR and other applicable laws unless such variation, amendment, modification or alteration is not detrimental to the interest of the eligible employees who have been granted Awards under SIP 2022.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to take necessary steps for receipt of necessary approval(s) for listing and trading of the Equity Shares to be allotted under SIP 2022 on the stock exchanges, where the Equity Shares are listed in compliance with the provisions of SEBI LODR and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to SIP 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things including the appointment of or authorizing or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, merchant bankers, valuers, consultants or representatives, being incidental to the effective implementation and administration of SIP 2022, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and/

or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of SIP 2022 and to take all such steps and do all such acts as may be incidental or ancillary thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any other committee of the Board of Directors or to any Key Managerial Personnel, with power to further delegate such powers to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

8. Extension of the Birlasoft Share Incentive Plan-2022 to the employees of the subsidiary company(ies) of the Company

To consider and approve extension of "Birlasoft Share Incentive Plan-2022" ("SIP 2022") to the employees of the subsidiary company(ies); and in this regard, 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 Companies (Share Capital and Debenture) Rules, 2014, read along with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB) Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), Foreign Exchange Management Act, 1999, and the rules, circulars and regulations made thereunder ("FEMA") (including any statutory amendment(s), modification(s) or re-enactment(s) for the time being in force), the Memorandum and Articles of Association of the Company, any other rules, regulations and guidelines issued by any other regulatory or governmental authority and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms, conditions, modifications and amendments as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors [hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee designated to act as the 'Compensation Committee' under SEBI (SBEB) Regulations or their delegated authority and to exercise its powers, including the powers, conferred by this resolution], to the extent the benefit of "Birlasoft Share Incentive Plan-2022" ("SIP 2022") to or for the benefit of such person(s) who are the employees of the subsidiary company(ies), if any, as per the terms of SIP 2022, whether working in India or outside India, including any managing or

whole-time director(s) or non-executive director(s) who is not promoter or member of promoter group of the Company excluding independent director(s), as selected by the Board of Directors in accordance with SIP 2022 but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s), who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company ("Eligible Employees") at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with SIP 2022 and applicable law.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company upon the exercise of PSUs/RSUs, shall rank *pari passu* in all respect including dividend with then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any variation, amendment, modification or alteration in SIP 2022, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, SEBI (SBEB) Regulations, SEBI LODR and other applicable laws unless such variation, amendment, modification or alteration is not detrimental to the interest of the eligible employees who have been granted Awards under SIP 2022.

RESOLVED FURTHER THAT the Board be and is hereby severally authorised to take necessary steps for receipt of necessary approval(s) for listing and trading of the Equity Shares to be allotted under SIP 2022 on the stock exchanges, where the Equity Shares are listed in compliance with the provisions of SEBI LODR and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to SIP 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any other committee of the Board of Directors or to any Key Managerial Personnel, with power to further delegate such powers to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

By order of the Board of Directors
For **Birlasoft Limited**

Noida
May 23, 2022

Sneha Padve
Company Secretary
Membership Number: A9678

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out material facts concerning the special business under Item Nos. 5, 6, 7 & 8 of the Notice, is annexed hereto.
2. The relevant details, pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at the 31st Annual General Meeting ("the AGM") is also annexed hereto.
3. Pursuant to General Circular No. 02/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI) and other circulars issued from time to time (hereinafter collectively referred to as "the Circulars") and in compliance with the provisions of the Act and SEBI LODR, the AGM of the Company is being conducted through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility, which does not require physical presence of the members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
4. The Company has engaged the services of National Securities Depository Limited ("NSDL") as the authorized agency for conducting of the AGM through VC/OAVM facility and for providing electronic voting ("e-voting") facility to its members, to exercise their votes through the remote e-voting and e-voting at the AGM.
5. In compliance with the Circulars, the AGM Notice and the Annual Report 2021-22, including Financial Statements (along with Board's Report, Auditor's Reports or other documents required to be attached therewith), are being sent only through electronic mode to those members whose e-mail IDs are registered with the Registrar & Transfer Agent ("RTA") or respective Depository Participants ("DPs"). Members may note that the AGM Notice and Annual Report 2021-22 are also available on the Company's website at <https://www.birlasoft.com/company/investors/policies-reports-filings>, websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
6. In terms of the Circulars, since the physical attendance of the members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the members under Section 105 of the Act, will not be available for the AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Sections 112 and 113 of the Act, representatives of the members may be appointed for the purpose of remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM.
7. Since the AGM will be held through VC/OAVM, the venue route map is not annexed to this Notice.

8. The Company has fixed **Friday, July 15, 2022**, as the "**Record Date**" for determining eligibility of the members to receive final dividend for the financial year ended March 31, 2022, if approved at the AGM.
9. The "**Cut-off Date**" for determining eligibility of the members for the purpose of remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM is **Wednesday, July 27, 2022**.
10. Members of the Company under the category of "Institutional Investors" are encouraged to attend and vote through remote e-voting & e-voting at the AGM.
11. Institutional/corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPEG Format) of its Board or governing body Resolution/Authority letter, etc. along with attested specimen signature of the duly authorized signatory(ies), authorizing its representative to attend the AGM through VC/OAVM facility on its behalf and to vote through remote e-voting, to the Scrutinizer by e-mail through its registered e-mail ID to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.
12. Attendance of the members participating in the AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Further, all resolutions mentioned in this Notice shall be passed through the facility of remote e-voting and e-voting at the AGM.
13. In case of joint holders attending the AGM through VC/OAVM facility, only such joint holder who is higher in the order of names as per the Register of Members or in the Register of Beneficial Owners maintained by the Depositories will be entitled for e-voting at the AGM.
14. Facility to join the AGM shall be opened 20 (twenty) minutes before the scheduled time of the AGM and shall be kept open for the members throughout the proceedings of the AGM. The procedure to join the AGM is mentioned in the "Instructions for electronic voting by members" annexed hereto.
15. The facility of participation at the AGM through VC/OAVM, provided by NSDL, allows participation for 1,000 members on first-come-first-served basis principle. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without any restriction on account of first-come-first-served basis principle.
16. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to Deduction of Tax at Source ("TDS") will be made within the statutory time limit of 30 days.

Payment of such dividend shall be made through electronic mode to the members who have updated their bank account details. In the event the Company is unable to pay dividend to any member through electronic mode, due to non-registration of the electronic bank mandate, the Company shall dispatch the dividend warrant/bankers' cheque/demand draft to such member.

17. In terms of the provisions of the Income-tax Act, 1961, dividend paid or distributed by a Company shall be taxable in the hands of the members. The Company shall, therefore, be required to deduct TDS at the time of payment of dividend at the applicable tax rates. The rate of TDS would depend upon the category and residential status of the member.

As it is important for the Company to receive the relevant information from members to determine the rate of tax deduction, the members are requested to furnish relevant documentation in the prescribed manner on the portal of RTA on or before **Friday, July 15, 2022 (06:00 p.m. IST)**. The applicable TDS rate for dividends and documents to be furnished by each category of members is given in the "Annexure – TDS on Dividend", annexed hereto. The relevant documents can be uploaded on RTA portal at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.

The information given in the said Annexure may not be exhaustive and the members should evaluate on their own about the category for which they should furnish the documents. In absence of all the relevant documents, the Company shall determine TDS rate based on information available with the RTA (for shares held in physical form) and the DPs (for shares held in dematerialized form).

Please note that the duly completed & signed documents should be uploaded on the portal of the RTA on or before **Friday, July 15, 2022 (06:00 p.m. IST)**. Ambiguous, incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/deduction shall be considered after the abovementioned date & time.

Members are also requested to update changes in their Residential Status, if any, with the RTA (for shares held in physical form) & the DPs (for shares held in dematerialized form), along with the supporting documents.

If the PAN is not as per the database of the Income-tax portal, it would be considered as an invalid PAN. Further, individual members are requested to link their Aadhaar number with the PAN.

In case TDS is deducted at a higher rate in the absence of receipt of the specified details/documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return, only in case your valid PAN is registered with the RTA (for shares held in physical form) and the DPs (for shares held in dematerialized form). No claim shall lie against the Company for such taxes deducted.

Members should note that any document/form not uploaded on the portal will not be considered for the purpose of processing and shall be rejected, therefore, it should be uploaded on the portal only.

Members who have uploaded documents on the portal of the RTA should also forward the originals to the Company subsequently.

All queries with respect to TDS on dividend and submission of relevant documentation should be sent to tax@birlasoft.com.

Information with respect to the same is also available on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings#Shareholders-info>.

18. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/mobile numbers, PAN, mandates, nominations and power of attorney to their respective DPs in case the shares are held by them in dematerialized form; and to the RTA of the Company at Link Intime India Private Limited (Attention - Sandip Pawar) Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411001, Telephone: +91-20-26161629, E-mail: pune@linkintime.co.in in case the shares are held by them in physical form.

19. Members are advised to update their PAN, KYC (Address, Email ID, Mobile Number, Bank Account Details, Specimen Signature, etc.) and Nomination details as mandated by SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, read together with circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, to avoid freezing of their folios on or after April 1, 2023, as per below:

- **Members holding shares in physical form:** to the Company's RTA - Link Intime India Private Limited, in prescribed Form ISR - 1 and other forms as per instructions mentioned in the form. The Company has already sent requisite communication to the members for furnishing these details. The formats can be downloaded from RTA's website at www.linkintime.co.in > Resources > Downloads > KYC > Formats for KYC and such formats are also available on the Company's website at <https://www.birlasoft.com/company/investors/policies-reports-filings#Shareholders-info>.
- **Members holding shares in dematerialized form:** to their respective DPs as per the procedure prescribed by them.

20. Members may further note that SEBI vide circular dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting the forms in the specified formats, which are available on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings#Shareholders-info> and also available on the website of the RTA at <https://linkintime.co.in/downloads.html>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

Further, SEBI vide notification dated January 24, 2022 has amended Regulation 40 of SEBI LODR and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are therefore advised to dematerialize the shares held by them in physical form.

21. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the request in the specified formats, which are available on the Company's website at <https://www.birlasoft.com/company/investors/policies-reports-filings#Shareholders-info> and also available on the RTA's website at <https://linkintime.co.in/downloads.html>. Members are requested to submit the said details to their respective DP, in case the shares are in dematerialized form and to the RTA, in case the shares are held in physical form.
22. Members are requested to:
- quote their Registered Folio number in case of shares in physical form and DP ID and Client ID in case of shares in dematerialized form, in their correspondence(s) to the Company.
 - direct all correspondence related to shares including consolidation of folios, if shareholdings are under multiple folios, to the RTA of the Company.
23. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company or the RTA of any change in address or nominee, if any appointed, to notify demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the respective DPs and holdings should be verified from time to time.
24. Members seeking any information with regard to the accounts of the Company or any matter to be placed at the AGM, are requested to write to the Company so as to reach them atleast 7 (seven) days before the date of the AGM, through e-mail on contactus@birlasoft.com. The same will be replied by the Company suitably.
25. A certificate from the Secretarial Auditor of the Company certifying that the Company's Employee Stock Option Plans are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time and in accordance with the resolutions passed by the members, will be available electronically for inspection by the members during the AGM.
26. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM.
27. All other 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. Members seeking to inspect such documents can send an email to secretarial@birlasoft.com.
28. The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2013-14, from

time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Members wishing to claim the unpaid dividend, are requested to correspond with the RTA of the Company at Link Intime India Private Limited (Attention - Sandip Pawar) Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411001, Telephone: +91-20-26161629, E-mail: pune@linkintime.co.in.

Members are requested to note that as per Section 124 of the Act, dividend which are not encashed or claimed within 7 (seven) years from the date of transfer of the dividend to the Company's Unpaid Dividend Account, will be transferred to IEPF.

Please note that pursuant to the provisions of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 ("Rules") as amended from time to time, shares in respect of such dividend will also be transferred to IEPF including all benefits accruing on such shares. The Company has sent out individual communication to the members whose dividends remain unclaimed for 7 (seven) years and published an advertisement in newspapers, inviting such members to claim their dividend. The information in respect of such shares is uploaded on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

Accordingly, during the year, the Company has transferred an amount of ₹ 1,444,978/- being unclaimed dividend and 9,517 corresponding shares to IEPF, pertaining to the financial year 2013-14.

Members can claim back such dividend and shares including all benefits accruing on such shares from IEPF Authority after following the procedure prescribed in the Rules, by filing Form IEPF-5 available on www.iepf.gov.in. As per the Rules, members can file only one consolidated claim in a financial year.

29. Pursuant to the provisions of Section 108 of the Act, read with the corresponding Rules made thereunder, and Regulation 44 of SEBI LODR, and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is providing a facility to its members to exercise their votes electronically through the e-voting facility provided by the NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized form, physical form and for members who have not registered their e-mail ID is provided in the "Instructions for electronic voting by members" which forms part of this Notice. The Board has appointed Jayavant Bhav - Proprietor of J. B. Bhav & Co., Practising Company Secretaries (Membership No. - F4266), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Any person who becomes a member of the Company after the dispatch of this Notice and holding shares as on the Cut-off Date may obtain the login ID and password by sending a request at evoting@nsdl.co.in, to cast his/her vote. A person who is not a member as on the Cut-off Date should treat this Notice for information purpose only.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS

[Pursuant to the provisions of Section 102 of the Companies Act, 2013 ('the Act'), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')]

Item No.: 5

The members of the Company had at the Annual General Meeting of the Company held on August 7, 2019, approved the appointment of Dharminder Kapoor ("DK") as the Chief Executive Officer (CEO) & Managing Director of the Company for a period of 3 (three) years effective June 1, 2019, upto May 31, 2022, along with other terms & conditions of appointment, including payment of remuneration.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on May 23, 2022, subject to the approval of members, has re-appointed DK as CEO & Managing Director of the Company for a further period of 3 (three) years commencing from June 1, 2022, in accordance with the provisions of Sections 196, 197 and 203 and Schedule V of the Act. The Act also requires approval of the members of the Company for the said appointment and remuneration.

Accordingly, it is proposed to re-appoint DK as the CEO & Managing Director of the Company, liable to retire by rotation and to hold office for a further term of 3 (three) years with effect from June 1, 2022.

A brief profile of DK and additional details of DK required under Regulation 36 of SEBI LODR and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, are given in Annexure to this Notice.

Brief terms and conditions of his re-appointment and remuneration as recommended by the Nomination and Remuneration Committee are as below:

Remuneration:

- a) Basic salary and allowances in the range of ₹ 4.75 Cr. to ₹ 6.28 Cr. per annum. Within this range, the aggregate of basic salary and allowances may be revised by the Board of Directors or the Nomination and Remuneration Committee of the Board of Directors, from time to time.
- b) The following perquisites shall be allowed to DK, as part of and/or in addition to basic salary and allowances as mentioned above:
 - Company's contribution to Provident Fund and Superannuation/Annuity Fund as per the policy of the Company in force, from time to time;
 - Gratuity as per the policy of the Company in force, from time to time;
 - Encashment of leave as per the rules of the Company in force, from time to time;
 - Car lease facility as per the policy of the Company in force, from time to time;
 - Group medical insurance and group personal accident insurance as per the policy of the Company in force, from time to time; and

- Annual club membership fees payable, up to a maximum of ₹ 10,00,000 (Rupees Ten Lakhs only) per annum, in connection with DK's membership in one club of his choice.
- c) Incentive/performance bonus/variable pay (by whatever name called) will be paid based on defined KRAs/BSCs and his performance against it and will be payable to him as per the incentive policy of the Company. DK will be eligible to receive annual variable pay consisting of annual target performance bonus. Final variable incentive amount shall be decided by the Board of Directors or the Nomination and Remuneration Committee from time to time.
- d) Cash Incentive under the Long-Term Cash Incentive Program of the Company.
- e) Employee Stock Options/Restricted Stock Units/Performance Stock Units under various ESOP Schemes of the Company.

Other Terms:

- f) DK shall be entitled to compensation for loss of office as provided in Section 202 of the Act.
- g) No sitting fees shall be paid to DK for attending meetings of the Board of Directors or any Committee of the Board.
- h) The contract of appointment of DK is terminable by either the Board of Directors or by DK giving to the other 3 (three) months notice in writing.
- i) DK will continue to be designated as Chief Executive Officer & Managing Director of the Company, and thus a Key Managerial Personnel.
- j) DK shall continue to be liable to retire by rotation and this re-appointment shall be subject to his continuance as a Director of the Company during the term of this re-appointment.

For purposes of leave accumulation, gratuity, provident fund, superannuation and other benefits, the services of DK will be considered as continuous and this re-appointment including the re-appointment on account of retirement of rotation will not be considered as any break in service.

The Nomination and Remuneration Committee or the Board of Directors of the Company may, at its discretion revise or restructure the remuneration or revise other terms and conditions, from time to time, in accordance with the provisions of the Section 197 of the Act read with Schedule V thereto.

DK satisfies the applicable conditions set out in sub-section (3) of Section 196 of the Act and Part-I of Schedule V thereto for being re-appointed as the CEO & Managing Director of the Company.

Based on the performance evaluation of DK as the CEO & Managing Director of the Company, considering his knowledge of

various aspects relating to the Company's affairs, long business experience and his contribution as a leader in the growth of the Company, the Board considers that the continued association of DK would be in the best interest of the Company.

The draft service agreement proposed to be entered into between the Company and DK is available for inspection by the members in the manner provided in the Notes to this Notice.

DK is not related to any other Director or Key Managerial Personnel of the Company or relatives of the Directors or Key Managerial Personnel.

Except DK and his relatives, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 5 of this Notice, for approval of members of the Company.

Item No.: 6

As per the provisions of Section 197 and other applicable provisions, if any, of the Act, read with Schedule V thereof and the Rules made thereunder, the maximum managerial remuneration payable to the managing director in respect of any financial year may exceed 5% of the net profits of the Company, calculated as per Section 198 of the Act, provided the same is approved by the members of the Company by way of a special resolution.

For the purpose of assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration package such as salary, benefits, bonuses, stock option, pension, perquisite etc. are taken into consideration.

Pursuant to the approval of the Nomination and Remuneration Committee, from time to time, Dharmander Kapoor ("DK") – Chief Executive Officer ("CEO") & Managing Director of the Company (DIN: 08443715), has been granted Stock Options ("Options") and Restricted Stock Units ("RSUs") under "Special Purpose Birlasoft - Employee Stock Option Plan 2019" ("ESOP 2019") and "Birlasoft Share Incentive Plan 2019" ("SIP 2019") as part of his compensation package. The details of these grants have been appropriately disclosed in the Annual Reports of the Company. DK may continue to be granted Options/RSUs in accordance with existing or future ESOP Schemes of the Company.

The perquisite value of the Options/RSUs, if any, exercised by DK during any financial year will become a part of his total remuneration. The perquisite value is the differential value between the fair market price of shares on the date of exercise of Options/RSUs and the exercise price. The perquisite value is directly linked to the fair market value of the shares of the Company on the date of exercise of Options/RSUs.

During the financial year 2021-22, as per vesting schedule under ESOP 2019 & SIP 2019, certain number of Options & RSUs have vested. Further, in the financial year 2022-23, as per the vesting schedule under SIP 2019, certain number of Options/RSUs are due for vesting. Taking into account the perquisite value which will get added to his remuneration, the total managerial remuneration payable to him will exceed 5% of the net profits of the Company.

In view of the above, the Nomination and Remuneration Committee, the Board of Directors of the Company in their respective meetings held on May 21, 2022 and May 23, 2022, approved and recommended to the members, an increase in the managerial remuneration limit payable to DK in excess of 5% of the net profits of the Company (computed in the manner as laid down in Section 198 of the Act). This has been proposed by the Board to primarily facilitate exercise of Options/RSUs granted to and vested unto DK pursuant to the grants made under ESOP 2019 and SIP 2019 and will not entail any additional cash outflow for the Company.

If DK exercises all the Options/RSUs which he is entitled to exercise, the aggregate remuneration payable by the Company to DK including perquisite value is likely to exceed the limits stipulated under the Act.

Taking into consideration the present value of the shares of the Company and the number of Options and RSUs which can be exercised by DK in any financial year(s) during his tenure of re-appointment and the remuneration payable to the Non-Executive Directors of the Company, the value of the aggregate remuneration payable to all Directors of the Company is not likely to exceed 18% of the net profits of the Company.

Further, pursuant to the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V thereof and the Rules made thereunder, the total managerial remuneration payable by a company to its Directors, including Managing Director, Whole-Time Director and Manager, if any, in respect of any financial year may exceed 11% of the net profits of the Company, provided the same is approved by the members of the Company.

In the premises aforesaid, the members are requested to consider increase in the overall maximum limit of managerial remuneration payable by the Company during the tenure of DK as CEO & Managing Director of the Company, to the extent it will exceed 11% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Act.

Further, pursuant to the provisions of Section 197 of the Act, the members of the Company at the 28th Annual General Meeting held on August 7, 2019, had accorded their approval for payment of commission to the Non-Executive Directors of the Company, not exceeding 1% of net profits (computed in the manner as laid down in Section 198 of the Act), for a period of five years commencing from the financial year 2019-20. The Company does not propose to modify or alter the said limit of 1%.

DK is not related to any other Director or Key Managerial Personnel of the Company or relatives of the Directors or Key Managerial Personnel.

Except DK and his relatives, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution.

The Board of Directors recommends the Special Resolution for approval of members of the Company, as set out at Item No. 6 of the Notice.

Item Nos.: 7 & 8

In today's competitive world, the employees of a Company are its most important resource and asset. Your Company fully recognizes the same and therefore, wants its employees to participate and share the fruits of growth and prosperity along with the Company.

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company(ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Subsidiary Company(ies) on the growth path. To this end, the Company intends to grant its selected employees Performance Stock Units ("PSUs")/Restrictive Stock Units ("RSUs") (collectively referred to as "Awards"), with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

While the Awards envisage issuance of both RSUs and PSUs, the major difference between them being the RSUs will have a time-based vesting criterion and will vest in the award holder accordingly. That said, the vesting of PSUs in the award holder shall be subject to the Company's and individual's performance along with the time-based criterion.

With the above objective, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the Compensation Committee ("Remuneration Committee") under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB) Regulations") has proposed 'Birlasoft Share Incentive Plan-2022' ("SIP 2022"). SIP 2022 has been formulated in accordance with SEBI (SBEB) Regulations. The terms and broad framework of SIP 2022 has been approved by the Board of Directors of the Company through a resolution dated May 23, 2022.

Under SIP 2022, the eligible employees shall be granted PSUs and/or RSUs which will be exercisable into equity shares of Rs. 2/- (Rupees Two) of the Company (the "Equity Shares"). The maximum number of Equity Shares to be issued and allotted under SIP 2022 shall be limited to 50,00,000 (Fifty Lakhs Only) Equity Shares of the Company representing approximately 1.79% of the existing paid-up equity shares of the Company.

SIP 2022 will be administered by the Remuneration Committee of the Board in terms of Regulation 5 of SEBI (SBEB) Regulations.

The salient features, relevant disclosures and details of SIP 2022 are as follows:

a. Brief description of SIP 2022

This proposed plan called the "Birlasoft Share Incentive Plan-2022" ("SIP 2022") provides alternatives to the Company to

grant incentives to eligible employees (as selected by the Nomination and Remuneration Committee/Compensation Committee) PSUs/RSUs and subject to applicable law and terms and conditions of SIP 2022, the eligible employees shall be entitled to receive Equity Shares upon fulfilment of those conditions as is determined by the Nomination and Remuneration Committee/Compensation Committee.

Thus, the incentives are intended to reward the eligible employees for their performance and to motivate them to contribute to the growth and profitability of the Company. The objectives of SIP 2022 are:

1. create a sense of ownership and participation amongst the employees;
2. motivate the employees with incentives and reward opportunities;
3. drive entrepreneurship mindset of value creation for the organization;
4. provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; and
5. achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the employees with the long-term interests of the Company

b. Total number of PSUs/RSUs to be offered and granted

The total number of PSUs/RSUs that may in the aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 50,00,000 (Fifty Lakhs Only) equity shares of ₹ 2/- each (Rupees Two) (the "Equity Shares") being approximately 1.79% of the paid-up equity shares of the Company. Upon exercise, each PSUs/RSUs entitles the relevant grantee to one Equity Share (i.e. one PSU/RSU will entitle the grantee to one Equity Share).

In case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganization of capital structure of the Company, as the case may be, the number of PSUs/RSUs and/or the shares to be allotted upon exercise of PSUs/RSUs shall be reasonably adjusted as per the provisions of SIP 2022 and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the eligible employees who have been granted PSUs/RSUs under SIP 2022.

PSUs/RSUs not vested due to non-fulfilment of the vesting conditions, vested PSUs/RSUs which the grantees expressly refuse to exercise, PSUs/RSUs (vested and not exercised and unvested) which have been surrendered and any PSUs/RSUs granted but not vested or exercised within

the stipulated time due to any reasons, shall lapse and these PSUs/RSUs or the underlying Equity Shares will be available for grant under the present SIP 2022 or under a new scheme, subject to compliance with applicable laws.

c. Identification of classes of employees entitled to participate and be beneficiaries in SIP 2022

Following classes of employees, shall be eligible to participate in SIP 2022:

- (a) An employee of the Company, working in India or outside India;
- (b) Director(s) of the Company whether whole time or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (c) an employee as defined in (i) or (ii) above of subsidiary company(ies), (including future subsidiary company(ies), if any, in India or outside India.

Following persons are not entitled to participate in SIP 2022:

- (a) an employee who is a promoter or a person belonging to the promoter group; or
- (b) a director who either himself/herself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

The eligibility of an employee shall be determined by the Remuneration Committee as per the eligibility criteria as may be determined by the Board/Remuneration Committee.

d. Requirements of vesting, period of vesting and maximum period within which the PSUs/RSUs shall be vested

The Board or the Remuneration Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted PSUs/RSUs would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which PSUs/RSUs granted can vest, and which may be specified in the respective grant letters/ award agreement or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the PSUs/RSUs granted would vest will be subject to the minimum and maximum vesting period as specified below.

Vesting period for PSUs/RSUs: The PSUs/RSUs would vest not earlier than 1 (one) year or such time period as may be prescribed under the applicable law including but not limited to SEBI (SBEB) Regulations. The vesting schedule (i.e. exact proportion in which and the exact period over which the PSUs/RSUs would vest) would be determined by the Remuneration Committee. The PSUs/RSUs granted under SIP 2022 may vest in one or more tranches. Exercise period would commence from the vesting date and would expire after such period as may be decided by the Remuneration Committee.

e. Exercise price or pricing formula

Subject to SEBI (SBEB) Regulations and other applicable laws, if any, the exercise price for PSUs/RSUs shall be decided by the Remuneration Committee as it may deem fit, and in no circumstances, the exercise price shall be less than the face value of the shares of the Company.

f. Exercise period and the process of exercise

Exercise period would commence from the vesting date and would expire after such period as may be decided by the Remuneration Committee. If the PSUs/RSUs are not exercised within the exercise period they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the Award holder towards such lapsed Awards.

An employee may exercise the vested PSUs/RSUs within the exercise period by submitting an exercise application to the Company accompanied by the payment of an amount equivalent to the exercise price in respect of such shares and in such manner and on execution of such other documents, as may be prescribed by the Remuneration Committee from time to time.

g. The appraisal process for determining the eligibility of employees

The appraisal process for determining the eligibility of the employees will be specified by the Board or the Remuneration Committee from time to time, and will be based on criteria, such as level, role/criticality of the employee, length of service with the Company, work performance, and such other criteria that may be determined by the Board or the Remuneration Committee, as applicable, at its sole discretion. The Board or the Remuneration Committee may decide to extend the benefits of SIP 2022 to new entrants or to existing eligible employees on such basis as it may deem fit, in accordance with applicable law.

h. Maximum number of PSUs/RSUs to be issued per employee and in aggregate

The maximum number of PSUs/RSUs to be granted to any eligible employee shall be decided by the Board or Remuneration Committee. However, the number of PSUs/RSUs that may be granted to a single eligible employee, under SIP 2022 during any particular financial year shall be less than 1% of the paid-up equity share capital at the time of grant of PSUs/RSUs (which shall be adjusted in lieu of adjustments/reorganization of capital structure of the Company from time to time).

The aggregate of all such PSUs/RSUs shall not result into more than 50,00,000 (Fifty Lakhs Only) Equity Shares at any time which shall be adjusted in lieu of corporate actions, adjustments/reorganization of capital structure of the Company from time to time.

i. Maximum quantum of benefits to be provided per employee under SIP 2022

The maximum quantum of benefits underlying the PSUs/RSUs granted to an eligible employee shall be equal to the

appreciation in the value of the Company's equity shares determined as on the date of exercise of PSUs/RSUs, on the basis of difference between the PSUs/RSUs Exercise Price and the Market Price of the Equity Shares on the exercise date.

j. Lock-in period, if any

There is no lock-in period.

k. Whether SIP 2022 is to be implemented and administered directly by the Company or through a trust

The Company shall directly implement and administer SIP 2022 through the Board/the Remuneration Committee.

l. Whether SIP 2022 involves new issue of Equity Shares by the Company or secondary acquisition by the trust or both

SIP 2022 contemplates only issue of new shares by the Company.

m. The amount of loan to be provided for implementation of SIP 2022 by the Company to the trust, its tenure, utilization, repayment terms, etc.

The Company will not create a trust for the implementation of SIP 2022.

n. Maximum percentage of secondary acquisition that can be made by the trust for the purpose of SIP 2022

Not applicable.

o. Method of PSUs/RSUs valuation

The Company shall use such valuation method(s) as may be prescribed from time to time in accordance with applicable laws for valuation of the PSUs/RSUs granted, to calculate the employee compensation cost.

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' report.

p. Transferability of PSUs/RSUs

The PSUs/RSUs granted to an eligible employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an Award holder while in employment, the right to exercise all the PSUs/RSUs granted to him till such date shall vest in the legal heir(s) or nominee(s) of such Award holder, in accordance with the provisions of SIP 2022.

q. The conditions under which PSUs/RSUs vested in employees may lapse e.g. in case of termination of employment for misconduct and the specified time

period within which the employee shall exercise the vested awards in the event of a proposed termination of employment or resignation of an employee

If an Award holder's employment is terminated with the Company for 'Cause' [as specified in SIP 2022 (cause includes acts such as e.g. misconduct, fraud, misrepresentation etc. as detailed in SIP 2022)], then all the vested awards (but not exercised) and unvested awards shall lapse and be cancelled forthwith. The Company shall not have any obligation towards such lapsed PSUs/RSUs.

If an Award holder's employment is terminated with the Company for any other reasons other than the 'Cause' (as specified in SIP 2022), then the treatment of the unvested PSUs/RSUs shall be at the discretion of the Remuneration Committee.

As regards the vested PSUs/RSUs, the Award holder shall be entitled to exercise the vested PSUs/RSUs within 3 (three) months from the date of termination/resignation/superannuation, failing which such vested PSUs/RSUs shall lapse and be cancelled forthwith. There shall be no further obligation of the Company towards the Award holder with regard to lapsed Award(s).

r. Disclosure and accounting policies

The Company shall comply with such applicable disclosure and accounting policies as prescribed by SEBI (SBEB) Regulations and those prescribed by the concerned authorities from time to time.

s. Terms & conditions for buyback, if any, of specified securities covered under these regulations

None.

t. Other terms

The Board or Remuneration Committee shall have the absolute authority to vary or modify the terms of SIP 2022 in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India, including terms of SEBI (SBEB) Regulations or Regulations that may be issued by any appropriate authority, from time to time, unless such variation, amendment, modification or alteration is not detrimental to the interest of the eligible employees who have been granted PSUs/RSUs under SIP 2022.

Regulation 6(1) of SEBI (SBEB) Regulations requires that every employee stock option scheme shall be approved by the members of the Company by passing a special resolution in a general meeting. Further, as SIP 2022 entails further issue of shares, consent of the members is required by way of a special resolution pursuant to Section 62(1)(b) of the Act. Accordingly, the Special Resolution set out at Item No. 7 of this Notice is proposed for approval by the members.

As per Regulation 6(3) of SEBI (SBEB) Regulations, a separate special resolution is required to be passed if the benefits of an employee stock option scheme are to be extended to employees of the Subsidiary Company(ies), if

any. Accordingly, the Special Resolution set out at Item No. 8 of this Notice is proposed for approval by the members.

The PSUs/RUs to be granted under SIP 2022 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. SIP 2022 conforms to SEBI (SBEB) Regulations.

The draft SIP 2022 is available for inspection by the members in the manner provided in the Notes to this Notice.

Directors/Key Managerial Personnel of the Company/their relatives who may be granted PSUs/RUs under SIP 2022

may be deemed to be concerned or interested in the Special Resolutions at Item Nos. 7 and 8 of this Notice. Save as aforesaid, none of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolution(s).

The Board of Directors recommends Special Resolutions mentioned in item nos. 7 and 8 of the Notice for approval of the members of the Company.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Details of Director seeking re-appointment at the Annual General Meeting as per Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India

| Particulars | Dharmander Kapoor |
|--|--|
| Director Identification Number | 08443715 |
| Age | 55 years |
| Qualification | Masters of Computer Application |
| Experience | 31 years |
| Expertise in specific functional areas | Kindly refer report on the Corporate Governance annexed to this Annual Report. |
| Brief resume of the Director | <p>Dharmander Kapoor ("DK") is the Chief Executive Officer ("CEO") & Managing Director ("MD") of the Company. DK has a Master's degree in Computers from Kurukshetra University, India, and is an industry-veteran with over 30 years of experience and is recognized as a potent thought leader in the IT industry.</p> <p>DK joined Birlasoft in 2014 as its Chief Operating Officer ("COO") and in his role as the COO, DK managed the global delivery, business development and other enabling functions of the Company. As its COO, DK led the divestiture of Birlasoft's legacy business paving the way for a newer go-to-market and client engagement model for the Company. DK was elevated as the CEO & MD of the Company in 2019 and he has shaped the Company's strategy pivoted on the Enterprise to the Power of Digital™ framework, focusing on next-generation digital services offerings. He has also led the successful integration of the erstwhile Birlasoft and KPIT IT services businesses.</p> <p>DK is known to be an exceptional leader, who takes pride in building leaders and competitive teams. He has a very keen eye on creating a balance between "fundamentals" to build organization's resilience and "transformation" to help the organization pursue non-linear growth. His in-depth technical skills and impressive experience in Transformation Services has helped Birlasoft develop key IPs (3rdEye, ValueISM, Enterprise Digital, etc.) in delivering differentiated value to its clients. He is a regular speaker at industry events and he also is an avid contributor in various publications through his thought leadership articles.</p> <p>Painting, sharing his life lessons, reimagining and penning down his thoughts through blogs stem out of his creativity and demonstrate his passion towards life and work.</p> |
| Date of first appointment | June 1, 2019 |
| Terms and conditions of re-appointment | Kindly refer Explanatory Statement for Item No. 5 of this Notice. |
| Remuneration last drawn | Kindly refer the Corporate Governance Report section of this Annual Report. |
| Remuneration proposed to be given | Kindly refer Explanatory Statement for Item No. 5 of this Notice. |
| Number of Board meetings of the Company attended during the year | Kindly refer report on the Corporate Governance annexed to this Annual Report. |

| Particulars | Dharmander Kapoor |
|--|--|
| Listed entities in which the person holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years | Nil |
| Directorships held in other Companies/Branches (as on March 31, 2022) | a) Birlasoft Solutions Limited (UK) b) Birlasoft Solutions France c) Birlasoft Solutions Inc. (USA) d) Birlasoft Consulting Inc. (USA) e) Birlasoft Computer Corporation (USA) f) Birlasoft Technologies Canada Corporation g) Birlasoft Solutions Ltda. (Brazil) h) Birlasoft Solutions Mexico S.A. DE C.V. i) Birlasoft Solutions ME FZE (UAE) j) Birlasoft (UK) Limited k) Birlasoft Solutions Limited – Spain Branch |
| Memberships/Chairmanships of committees of other Companies | Nil |
| Number of shares held in the Company | 7,56,245 |
| Relationship with other Directors and Key Managerial Personnel or their respective relatives | N.A. |

ANNEXURE – TDS ON DIVIDEND

Companies paying dividend are required to withhold tax at the applicable tax rates (unless otherwise exempted, TDS rate is 10% for resident members with valid PAN, 20% for resident members without PAN or invalid PAN and rates prescribed under the Income-tax Act, 1961 ("IT Act") or Tax Treaty, read with Multilateral Instruments, if applicable, for non-resident members). No withholding of tax is applicable if the dividend payable to resident individual members is upto ₹ 5,000/- p.a.

Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following:

- Twice the rate specified in the relevant provision of the IT Act; or
- Twice the rate or rates in force; or
- the rate of 5%;

in case a person has not filed his/her return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his /her case is rupees fifty thousand or more in the said previous year. The status of filing of Return of Income by the members would be verified from the functionality provided by the Indian Income Tax authorities. The Company would solely rely on the information available on the Income Tax portal in this regard.

In order to provide exemption from TDS or apply lower rate of TDS or consider benefit of relevant Double Taxation Avoidance Agreement ("DTAA") with India as may be applicable, the documents prescribed for each category of member (as per the eligibility) must be uploaded on the portal of RTA at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The format of relevant documents is available on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings#Shareholders-info>. If the documents are found in accordance with the provisions of the IT Act the same shall be considered while deducting the taxes.

If the dividend income is assessable to tax in the hands of a person other than the registered member as on the Record Date, the registered member is required to furnish a declaration to the Company containing the name, address, PAN, beneficiary account no. (16 digits), number of shares of the person to whom TDS credit is to be given, tax residential status of the beneficiary and reason for giving credit to such person on or before **Friday, July 15, 2022 (06:00 p.m. IST)**. **Details or information received after this date will not be considered.**

To summarize, dividend will be paid after deducting the tax at source as under:

For Resident Members:

| Particulars | Applicable Rate | Documents required (if any) |
|---|--|---|
| With PAN | 10% (subject to Form 15G/Form15H/ lower withholding tax certificate) | a) Form 15G or Form 15H; b) Any other documents as prescribed under the IT Act for lower withholding of taxes, if any, obtained from the Income Tax authorities; and c) PAN or documentary evidence if you are exempt from obtaining PAN. |
| Without PAN/Invalid PAN/Section 206AB cases | 20% | N.A. |
| An Insurance Company as specified under Section 194 of the IT Act | NIL | a) Copy of registration certification issued by the IRDAI; b) Self-declaration that the insurance company is beneficial owner of the shares held; and c) PAN. |
| Mutual Fund specified under clause (23D) of Section 10 of the IT Act | NIL | a) Copy of relevant registration documents; b) Self-declaration that the mutual fund is governed by the provisions of Section 10 (23D) of the IT Act; and c) PAN. |
| Alternative Investment Fund (AIF) established in India | NIL | a) Copy of registration documents; b) Self-declaration that its income is exempt under Section 10 (23FBA) of the IT Act and AIF is established as Category I or Category II AIF under the SEBI Regulations; and c) PAN. |

For Non-Resident Members:

| Particulars | Applicable Rate | Documents required (if any) |
|---|---|--|
| a. Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) | 20% (plus applicable surcharge and cess) (subject to applicable tax treaty) | a) Copy of Tax Residency Certificate ("TRC") for the financial year 2022-23 obtained from the revenue authorities of the country of residence; |
| b. Other Non-Resident Members | | b) Form 10F for financial year 2022-23; c) Declaration regarding Tax residency and Beneficial ownership of shares; d) Self-declaration for not having Permanent Establishment in India in accordance with the applicable Tax Treaty; e) PAN; f) Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable; and g) In case, member is resident of Singapore, documentary evidence of satisfaction of Article 24 of India-Singapore DTAA. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the members. |

INSTRUCTIONS FOR ELECTRONIC VOTING BY MEMBERS

- Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") (collectively referred to as "the Circulars") and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is providing facility of electronic voting ("e-voting") to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the day of the AGM will be provided by NSDL.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The Cut-off Date for determining the eligibility of members for voting through remote e-voting and e-voting at the AGM is **Wednesday, July 27, 2022**. The remote e-voting period commences on Friday, July 29, 2022 (09:00 a.m. IST) and ends on Tuesday, August 2, 2022 (05:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date i.e. Wednesday, July 27, 2022, may cast their vote by remote e-voting. The remote e-voting shall be disabled by NSDL after the remote e-voting period ends. Once the vote is cast, the member shall not be allowed to change it subsequently.
- A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting facility.
- Any person holding shares in physical form and non-individual members, who acquires shares of the Company

and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **Wednesday, July 27, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsd.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Wednesday, July 27, 2022** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

- The voting rights of members shall be in proportion to the number of shares held by the member as on the Cut-off Date, i.e. Wednesday, July 27, 2022.
- The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-voting system?




The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 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 Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speed-e” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on   |
| Individual shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number & e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress. |
| Individual shareholders (holding securities in demat mode) login through their 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. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be re-directed to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nSDL.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

B) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can login at <https://eservices.nSDL.com/> with your existing IDeAS login. Once you login to NSDL e-Services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12***** |
| b) For members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- Password details for shareholders other than individual shareholders are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- How to retrieve your ‘initial password’?
 - If your e-mail ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail IDs are not registered**.

- If you are unable to retrieve or have not received the “initial password” or have forgotten your password:

- Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nSDL.com.
- “Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nSDL.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for members:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated e-mail ID: evoting@nsdl.co.in who will also address the grievances connected with the voting by electronic

means. Members who need assistance before or during the AGM, can also contact on the above-mentioned details.

3. The Board has appointed Jayavant Bhawe, Proprietor, J. B. Bhawe & Co., Practising Company Secretaries (Membership No. – F4266), as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
4. The Chairman will, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the AGM and who have not cast their votes by availing the remote e-voting facility.
5. The Scrutinizer shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting and shall make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by her, within two working days (not exceeding 3 days) from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
6. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.birlasoft.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by her in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed.

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring User ID and Password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to pune@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing above mentioned documents.
4. In terms of 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 Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

Instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, 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.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The helpline details of the persons who may be contacted by the member needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-voting.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM facility through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member

login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the AGM through laptops for better experience.
3. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
4. Please note that participants connecting from mobile devices or tablets or through laptop 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 kind of aforesaid glitches.
5. Facility to join the AGM through VC/OAVM shall be opened 20 (twenty) minutes before the scheduled time of the AGM and shall be kept open for the members throughout the proceedings of the AGM, on first-come-first-served basis principle.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail ID mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at vikas.jadhav@birlasoft.com from Wednesday, July 20, 2022 (09:00 a.m. IST) to Wednesday, July 27, 2022 (05:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to 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 for the AGM.

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