

Bold. Agile.  
**AMBITIOUS**



Annual Report  
2022-23

We are

**Bold. Agile.**

**AMBITIOUS**

to deliver exceptional  
value to all our  
stakeholders.

In this new era of growth and opportunity, we are sharpening our foresight and bolstering our knowledge to enable businesses to amplify value and create better experiences.

We are working with clients for their digital transformation as well as cost efficiency and automation programmes. Our solutions are helping them accomplish better synergies, higher efficiencies and to unlock the intrinsic potential of their business models.

Our revamped cultural fabric celebrates high say-do ratio, boldness, quick decisionmaking skills, customer and employee centricity and organization-first mindset.

These tenets define how we position ourselves to meet the challenges and opportunities of the future in an increasingly uncertain macroeconomic environment and rapid shifts in client's priorities.



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# Corporate INFORMATION

### Board of Directors

**Amita Birla**  
Chairman

**CK Birla**  
Director

**Ashok Kumar Barat**  
Independent Director

**Ananth Sankaranarayanan**  
Independent Director

**Nandita Gurjar**  
Independent Director

**Angan Guha**  
Chief Executive Officer &  
Managing Director

**Kamini Shah**  
Chief Financial Officer

**Sneha Padve**  
Company Secretary

### 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

### Auditors

**Statutory Auditor**  
B S R & Co. LLP  
Chartered Accountants

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

**Internal Auditor**  
Ernst & Young LLP  
(Upto March 31, 2023)

PricewaterhouseCoopers Private  
Limited  
(Effective May 8, 2023)

### Legal Advisor

Khaitan & Co.

### Registrar & Transfer Agent

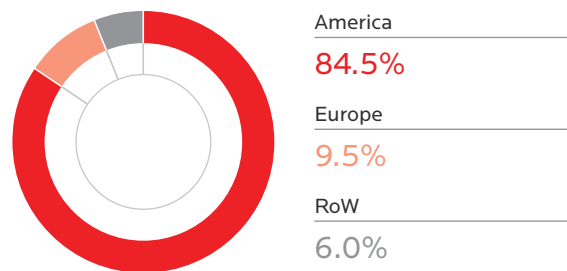
Link Intime India Private Limited

# Key Performance INDICATORS

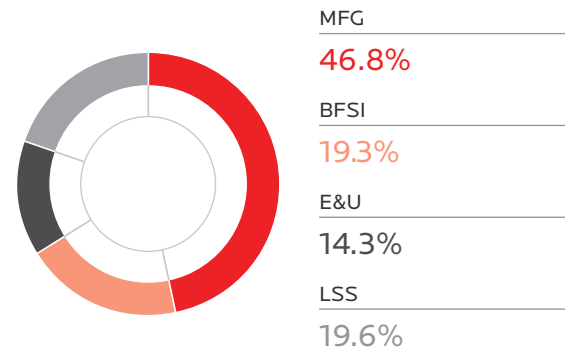
## Key Highlights for FY 2023

<b>Revenue</b> ₹ 4,795 Cr/\$ 594.9 Mn	<b>Headcount</b> 12,193
<b>EBITDA</b> ₹ 520 Cr/\$ 65.1 Mn	<b>Net Cash and Cash Equivalents</b> ₹ 1,128 Cr/\$ 137.3 Mn
<b>PAT</b> ₹ 332 Cr/\$ 41.6 Mn	<b>Networth</b> ₹ 2,448 Cr/\$ 298.0 Mn

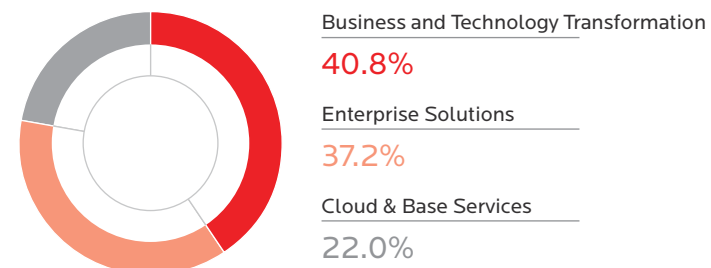
### Client Geography



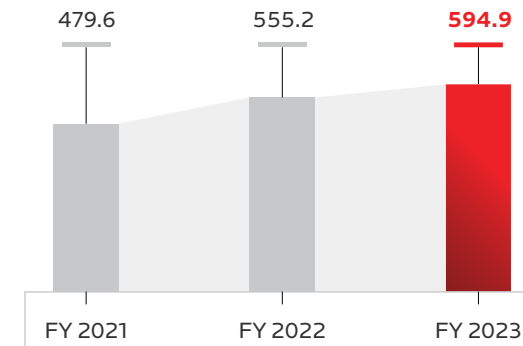
### Revenue by Industry Verticals



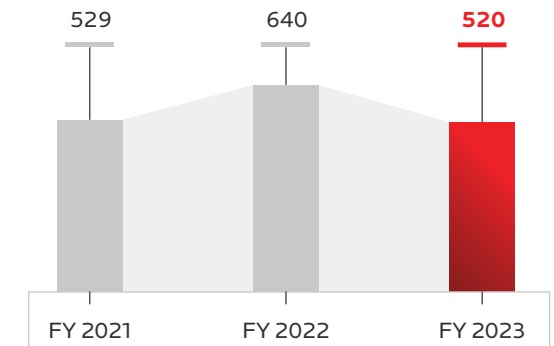
### Enterprise Solutions



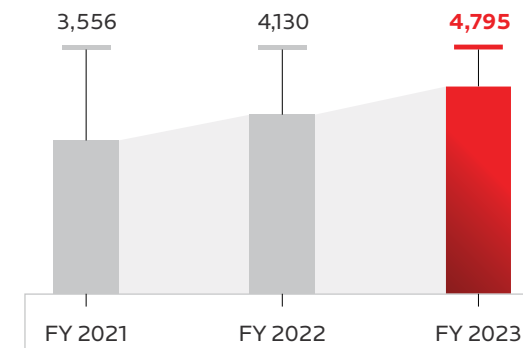
### Revenue from Operations (\$ Mn)



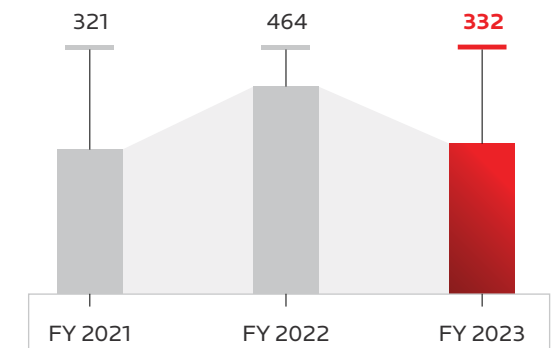
### EBITDA (₹ Cr)



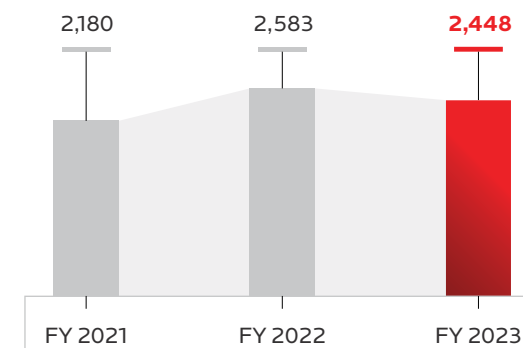
### Revenue (₹ Cr)



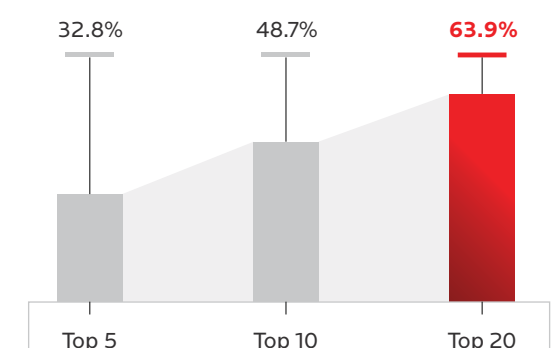
### PAT (₹ Cr)



### Networth (₹ Cr)



### Client concentration



# CHAIRMAN'S LETTER



## Dear Shareholders,

As I write to you at the conclusion of an immensely dynamic year at Birlasoft, I'm often reminded of Warren Buffets many mantras: and one in particular where he cites customer delight. 'Getting to really know and understand our customers' jobs to be done, their expectations and their preferences. And in the end to exceed their expectations.' In everything that we do at Birlasoft, this is the reason we exist, and every day this is what we set out to achieve.

Our organisation is in the midst of a huge transformation, the business landscape and the ways of doing business have evolved: and in response, we are becoming fitter and leaner as an organisation. The wheels were set in motion early on in the year to help create the Birlasoft we collectively envisioned. I note with satisfaction that we continue to make investments in the right direction: in processes, people, systems. Our continued engagements with external strategic partners help keep us up to speed with current and emerging global market practices, and ensure we stay at par with global players.

A key marker of Birlasoft's ongoing transformation is the onboarding of a new CEO and MD Angan Guha, who has brought on board not only his extensive experience in business transformation and building scale, strong customer engagement, and creating high performing teams in the IT solutions industry, but also his signature drive, vigour and 'big thinker' energy, all of which align well with our growth ambition. Angan is setting new benchmarks for the organisation, and is a hands on customer focused leader.

Notwithstanding the overall operating landscape, we secured multiple deal wins during the year, including several multi year, multi million dollar engagements from both existing and new clients. These wins were attained in a period of rising uncertainty and have resulted in orders amounting to a total contract value (TCV) of \$869 million during FY'23. I am excited to share that this is the highest ever quantum of deal signings we have ever had, a noteworthy 24.8% increase over the preceding financial year.

During FY23, our consolidated revenue grew by 16.1% to Rs 47,948 million, driven by our business and technology transformation that includes Digital Services, which registered an even higher growth of 19.2%. We reported an Adj EBITDA of Rs 6715 million, translating to an Adj EBITDA margin of 14% for the year. All this signals that our deal win momentum remains strong, and our margins are expected to strengthen as we move forward.

Today we are at the edge of a pivotal moment, so much has gone right as we work with diligent focus on our inner transformation. With a focus on reorganising ourselves to create efficient teams, verticals and functions, we have designed a future ready org structure and ways of working, onboarded key leaders to strengthen our client proposition and upgraded our Go To Market approach. This strategic realignment has empowered our global teams with a "One Birlasoft" vision and culture.

We have enhanced our sales and delivery practices by institutionalising best practices and investing in upskilling the teams. We are consciously strengthening our market facing organisation, making necessary bold investments and have deepened our relationships with key partners like hyper scalers, SaaS, ERP and data analytics partners.

We also strengthened our long standing customer relationships during the year, with revenues from our Top 10 customers recording a 17% growth. This reflects the confidence that our top tier customers have in our capabilities. We are committed to investing in strategic relationship building and becoming increasingly relevant to our customers by developing capabilities across the board: offshore and onsite, as we continue to think, behave, and

strategise. We expanded our delivery footprint with the operationalisation of a new 250 seat capacity delivery centre in Coimbatore. Our suite of enterprise solutions is streamlined and combines our sales and delivery capabilities to provide best in class consultative, operational and delivery efficiencies for ensuring fulfilment at speed and scale.

This value maximisation for our stakeholders is a direct outcome of the contribution of each of our employees. All our 12,000+ professionals, have played a vital role in our growth journey. Our employees are our partners and embody the Customer first mindset, the stretch in their targets indicating how bold and ambitious they are for our clients. I thank each one of our employees for making customer first and organisation a priority, with a growth mindset that are the hallmarks of Birlasoft today. Our focus towards being an Employer of choice ensures that our work environment is built around a culture of collaboration and innovation. This has contributed to us being certified as a Great Place to Work for the second consecutive year.

Birlasoft's innovative solutions and technical capabilities continue to be recognised by various industry bodies and analyst firms, securing high ranks in their respective studies. These include recognitions from ISG, Avasant and SAP to name a few. This repeated external acknowledgment reinforces our position as a leader in the industry, and reaffirms the value we add to our clients.

At Birlasoft, we believe in giving back to the society and the communities we work with. Our CSR efforts are driven by two key themes, environmental sustainability and empowerment and enablement of women and children. During this fiscal, we were honoured with the award for 'CSR Project of the

Year' at the 8th CSR Impact Awards for our flagship community programme: Project Shodhan. In addition, recognising that the receding pandemic has exposed a gaping void in the space of mental health, we have recently partnered with the LiveLoveLaugh foundation, an organisation that supports mental health for rural communities where the depth of this underlying malaise is often felt the greatest.

I want to thank each of you, our shareholders, for your unwavering support and faith as Birlasoft continues to pursue a bold ambition, chase lofty goals with agility: learning and pivoting quickly. We are focused on systemically identifying and nurturing the right set of leaders and change catalysts, and setting clear accountabilities for them. We are confident that our ability to estimate and sense the customer requirements, helping them articulate their unrealised needs and partnering for solutioning and delivery will be the differentiators for Birlasoft's success going forward.

I foresee a resurgent Birlasoft: sharper, bolder, more agile as we emerge out of this intense transformation, in close pursuit of our USD 1bn aspiration. I look forward to your continued trust and partnership.

**Warm regards**  
**Amrita Birla**

# CEO & MD'S LETTER



## Dear Shareholders,

I am very excited to present to you my first annual update as the Chief Executive Officer and Managing Director of Birlasoft. I have witnessed firsthand the remarkable transformation that our teams have brought about, with significant agility and resilience, creating commendable success.

Our operational and financial performance in a very dynamic operating landscape that constantly presents challenges and risks, reflects our resilience.

Our transformation journey has helped us evolve into an agile organisation. We are ready to take bold bets, adapt to the changing business landscape, and enhance our capabilities to create continued success. In the light of these shifts, we are actively streamlining and optimising our organisation to become more nimble and efficient. I am pleased to share that we have invested in optimising our resources toward the right areas, be it refining processes, nurturing talent, or enhancing systems.

## Growing with prudence

Our performance for FY23 has been noteworthy, with a 16.1% increase in annual revenue. Our top 10 accounts have grown at 17%, and our top 20 accounts have grown at 11.6% YoY. We have reported an adjusted EBITDA of \$84 million, implying an EBITDA margin of 14% for the entire reporting year. The PAT for the year is at \$41.6 million, and our other income has been lower due to lower interest income and forex loss on account of restatement of assets. From a full year perspective, our cash generation has been at \$84 million, which has been approximately 100% of our adjusted EBITDA on the back of our robust processes and systems.

Amidst growing uncertainty, we achieved remarkable sales success, securing multiple multimillion dollar deals from new and existing clients. Our total contract value (TCV) for FY 2022-23 reached a record breaking \$869 million, marking a significant 24.8% increase from the previous year. These exceptional wins underscore the strength of our sales processes and the recognition of our unique digital and new-age technology capabilities. We continue to win accolades and recognition that underscore our expertise and achieved leadership status in several analyst studies. Birlasoft was identified as a 'Leader' in the Salesforce Ecosystem Partners 2023 ISG Provider Lens Study, as a 'Leader' in the SAP Ecosystem 2023 ISG Provider Lens™ Study, as a 'Rising Star' in Life Sciences Digital Services 2022 ISG Provider Lens™ Study - Global for 'MedTech Digital Transformation' quadrant, as a 'Product Challenger' and 'Contender' in ISG Provider Lens™ Study 'Microsoft Cloud Ecosystem 2023, in the Leadership Zone in Zinnov Zones' Intelligent Automation Services H1-2023, to name a few.

We have achieved significant milestones in our operational endeavours, exemplified by successfully establishing a new delivery centre in Coimbatore, adding 250 seats to our capacity, and expanding our reach. This new centre enables us to access an emerging lower-cost technology talent hub. We firmly believe that our continued investments in strategic infrastructure and talent acquisition are essential to sustain our competitive advantage and support our ambitious growth targets. Birlasoft is invested in skill building initiatives and has signed up with Coursera to upskill our associates to ensure continuous capability enhancement.

## Being Bold. Agile. And Ambitious.

We are working towards streamlining our entire organisational structure to bring a sharper focus on select verticals and service lines and to institutionalise an execution-oriented culture, and we are working towards attaining better synergies, higher efficiencies, and deeper customer engagement. More specifically, the Americas geography, which contributes to almost 85% of our global revenues, will now include four verticals - manufacturing, BFSI, energy and utilities, and life sciences. These verticals will act as clear differentiators for us to enable delivery of better value for our clients. In terms of service lines, we are focusing on four strategic areas namely digital and cloud, data analytics, infrastructure, and ERP.

Culturally, we aim to optimise for greater accountability and swifter action, for which we have now adopted six tenets: **High 'Say-Do' Ratio, Be Bold, Customer Centricity, Quick Decision-making, Employee Centricity, and Organisation First.** We will focus on prioritising the **Organisation First tenet** as the starting point of this cultural evolution. We are confident these anchors would allow us to effectively navigate the current macroeconomic environment and propel us to an entirely new level of growth.

Today, we stand at a significant turning point. Through meticulous planning, we have established agile teams and optimised functional units, cultivating a future proof organisational framework and improved operational methodologies. Our unwavering commitment to growth has yielded positive outcomes. By enlisting exceptional leaders, enhancing client offerings, and refining our Go-To-Market strategy, we have strategically repositioned ourselves.

Harnessing agility, we have revolutionised our sales and delivery methodologies through the institutionalisation of best practices and relentless upskilling of our teams. Our unwavering dedication to fortifying our market facing organisation has spurred us to make bold investments and cultivate deeper alliances with our technology and digital partners. We are now moving closer to our vision of surpassing the USD 1 billion milestone, with complete confidence.

I sign off with optimism and excitement for capturing the next horizon.

Best wishes  
**Angan Guha**

# BOARD OF DIRECTORS



**AMITA BIRLA**

Chairman & Non-Executive Director, Birlasoft  
Co-Chairman, CK Birla Group



**CK BIRLA**

Non-Executive Director, Birlasoft  
Chairman, CK Birla Group



**ASHOK KUMAR BARAT**

Independent Director



**ANANTH SANKARANARAYANAN**

Independent Director



**NANDITA GURJAR**

Independent Director



**ANGAN GUHA**

Chief Executive Officer & Managing Director

# BOARD OF DIRECTORS



**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 organisational 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 of 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 organisation. 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.

Amita has been a steady exemplar of entrepreneurial thought, customer centricity and agility that have been the hallmarks at Birlasoft since its fledgling days, and these continue to be anchoring pillars of the organisation to this day. Her bifocal leadership ensures a focused eye on new-age technologies and emerging opportunities, while holding rightful pride in our legacy and past successes.

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 Non-Executive Director, Birlasoft and Chairman of 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.

Under CK's brand of transformational leadership, the Group businesses have steadily become more global, infused with a greater ambition and bolder decision making, applying more entrepreneurial thought around inorganic growth and chasing targeted international expansion. The CK Birla Group businesses are empowered and enabled to become modern, dynamic, technology-led and contemporary. His sponsorship

to leadership development within all his Group businesses enables a seamless continuation of the Group values and ethos.

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.



# BOARD OF DIRECTORS



**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.



**Ananth Sankaranarayanan** is an Entrepreneur and an Investor in the consumer internet space in India. He is the founder & CEO of Mensa Brands – India's largest D2C house of brands with the vision to build tech-led brands from India for the globe.

Prior to starting Mensa, Ananth was the Co- Founder and Chief Executive Officer of Medlife, one of India's largest e-health company. Prior to Medlife, he served as the CEO of Myntra, the country's largest platform for fashion and lifestyle products and part of Flipkart/Walmart. Prior to joining Myntra, he was a Director at McKinsey & Company for 15 years.

Featured as one of "India's Hottest 40 under 40 Business Leaders" in 2014, Ananth has deep expertise in driving performance improvement and digital transformation.

Ananth serves as an Independent Director on the Board of Marico and is an active member of YPO, the Global Community of Young Leaders and Chief Executives. He is a part of the Champions of Change, Transformation Conclave set up by Niti Aayog, under the aegis of Prime Minister Narendra Modi. He is also on the Board of Arghyam, a foundation set up by Rohini Nilekani to improve access to safe water. He also is passionate about making mental health support accessible to all and serves as a Trustee for Deepika Padukone's Live Love Laugh foundation. He is an active member of the Aspen Global Leadership Network and is also on the Industry Advisory Board of the University of Michigan.



**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. In April 2014, she got selected for Advanced Management Program (AMP) at Harvard Business School. On her return she resigned from Infosys to become an Advisor to startups. 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 Independent Director on listed companies. She is on Advisory Board to the Leadership Institute of SBI, India's largest bank and consults with organizations on HR strategies and execution.



**Angan Guha** is the Chief Executive officer & Managing Director of Birlasoft - part of the USD 2.9 billion diversified CK Birla Group, and a global enterprise digital and IT services company. In his role as CEO & MD, Angan provides strategic leadership to Birlasoft, driving significant scale and transformation. His core focus is on building the organization through innovation to strengthen niche capabilities, enhance customer intimacy, and significantly expand the revenue base and profitability in high growth and strategic focus areas for Birlasoft.

A global technology leader with over three decades of experience in the IT services industry, Angan has an extensive experience leading large transformational engagement, brand building, strong customer engagement and building strong global teams. Through his previous leadership positions, he has established a precedent for creating a purpose-driven culture and an unwavering dedication to customer success. In his earlier roles, he oversaw operations in sectors like financial services, manufacturing, energy & utilities, hi-tech, and Canada.

Prior to joining Birlasoft, Angan was the Chief Executive Officer for the Americas 2 Strategic Market Unit at Wipro and also served on its Executive Board and Group Executive Council.

An Electronics engineer from the University of Pune, Angan has also completed an executive program in management from the Booth School of Business, University of Chicago. He is based out of New York.

# The CK BIRLA Group

The CK Birla Group is a growing US\$ 2.9 billion conglomerate that has a history of enduring relationships with renowned global companies. With over 30,000 employees, 46 manufacturing facilities, 21 service delivery locations and numerous patents and awards, the Group's businesses are present across five continents.

We operate across six industries: Automotive, Technology, Home and Building, Infrastructure, Healthcare and Education. Our customer base includes some of the world's best-known companies and we also enjoy partnerships with several global leaders.

## About Birlasoft

As part of the multibillion-dollar diversified CK Birla Group, Birlasoft with its 12,000+ professionals, is committed to continuing the Group's 161-year heritage of building sustainable communities.

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



## Our People

At Birlasoft, our employees are our most valuable resources. We prioritize becoming an employer of choice by fostering a work environment that encourages collaboration and innovation.

From a cultural perspective, we strive for increased accountability and have embraced six guiding principles:



To drive this cultural transformation, we are prioritizing the Organization First principle as our starting point.

With a focus on restructuring ourselves to form efficient teams and functions, we have implemented new ways of working with a futureready mindset. Birlasoft is committed to enhancing the skills of our workforce and has entered in a first of its kind partnership with Coursera to provide continuous capability building for our associates.

## AWARDS



Birlasoft is Great Place to Work Certified for the second consecutive year



Birlasoft's Project Shodhan conferred with CSR Project of the Year at India CSR Summit 2022



Conferred with BTX Top Enterprise Award 2022 Asia at BTX Roadshow and Transformation Awards 2022 Asia

## Analyst RECOGNITIONS

<p>Birlasoft recognized as <b>“Leader”</b> in the <b>SAP Ecosystem 2023 ISG Provider Lens™</b> Study for 'SAP S/4HANA System Transformation – Mid Market' quadrant in US and UK.</p>	<p>Birlasoft recognized in <b>‘The Booming 15’</b> category for Service and Technology Provider Standouts - globally for 10th time overall and for the Americas region for 12 consecutive quarters according to the 1Q 2023 Global ISG Index™.</p>	<p>Birlasoft positioned as <b>“Leader”</b> in <b>Next-Gen ADM Services 2022 ISG Provider Lens™</b> Study for 'Continuous Testing Specialists' in US, UK and for 'Agile Application Development Projects' in US.</p>
<p>Birlasoft identified as <b>“Leader/Rising Star”</b> in the <b>Oil and Gas Industry - Services and Solutions 2022 ISG Provider Lens™</b> Study in North America, and Nordics. Identified as a Leader in: Data Management and Cloud Computing- North America and as <b>Rising Star</b> in: Data Management and Cloud Computing - Nordics, Next-Gen IT/OT Services- North America.</p>	<p>Birlasoft positioned as a <b>“Leader”</b> in the <b>Salesforce Ecosystem Partners 2023 ISG Provider Lens™</b> Study- U.S. for 'Implementation Services for Core Clouds Midmarket' and for 'Managed Application Services for Midmarket' quadrant.</p>	<p>Birlasoft recognized in the <b>Leadership Zone</b> in <b>Zinnov Zones's Intelligent Automation Services.</b></p>
<p>Birlasoft identified as a <b>“Rising Star”</b> in the <b>Digital Business Enablement and ESG Services 2022 ISG Provider Lens™</b> Study- U.S. for the 'Supply Chain Transformation Services' quadrant.</p>	<p>Birlasoft recognized as a <b>“Rising Star”</b> in <b>Life Sciences Digital Services 2022 ISG Provider Lens™</b> Study- Global for 'MedTech Digital Transformation' quadrant.</p>	<p>Birlasoft positioned as a <b>“Rising Star”</b> in the <b>Enterprise Service Management 2023 ISG Provider Lens™</b> Study - U.S. for 'ESM Consulting Services' quadrant.</p>
<p>Birlasoft recognized as a <b>“Product Challenger/ Challenger”</b> in the <b>Oracle Ecosystem 2022 ISG Provider Lens™</b> Study - US, and Brazil.</p>	<p>Birlasoft recognized as a <b>“Disruptor”</b> in Avasant's <b>Manufacturing Digital Services 2022-2023 RadarView</b> report.</p>	<p>Birlasoft recognized as a <b>“Disruptor”</b> in Avasant's <b>Life Sciences Digital Services 2022-2023 RadarView</b> report.</p>

### Manufacturing and Communications, Media And Technology

Birlasoft accelerates its customer's digital transformation journey through strategic interventions in systems, process re-engineering, data management, UX, Cloud, and digital technologies, creating long-term business value. Its proprietary Manufacturing bMACH approach helps manufacturers expedite their Industry 4.0 journey. Birlasoft's expertise and solutions enable organizations to reimagine business models, transform product lifecycles, digitize operations, and enhance customer experience.

### Energy and Utilities

Birlasoft leverages its rich domain experience and expertise in IoT, Automation, Analytics, and Artificial Intelligence to drive enterprise transformation in the Energy and Utilities sectors. The Company's solutions modernize processes across the value chain, unifying data from disparate systems to unlock operational insights, thus staying competitive and resilient in a dynamic industry. Birlasoft helps organizations in the industry enhance compliance, workplace safety, operational efficiency, agility, and productivity. Their specialists focus on operational excellence, business transformation, digital transformation, workforce enablement, customer experience, and technology expertise to deliver innovative solutions.

### Life Sciences and Healthcare

Birlasoft delivers services across the pharmaceutical and medical devices sectors, leveraging cutting-edge digital technologies. The Company's solutions have helped customers drive innovation, reduce costs, enhance customer experience, and meet global quality and regulatory compliance requirements. Birlasoft caters to all verticals within the industry, from discovery to sales and support, offering comprehensive expertise. They focus on creating unique customer experiences by integrating IoT, Digital, Analytics, Applications, and Cloud services. Birlasoft recognizes the importance of ecosystem convergence and emphasizes the innovative orchestration of services.

### Banking, Capital Markets, and Insurance

Birlasoft serves leading organizations in the BFSI sector, enabling their digital transformation and delivering operational efficiency, cost optimization, risk mitigation, regulatory agility, and superior digital experiences. The company's expertise in core system modernization, business process overhaul, digital technologies, infrastructure, data management, and CRM helps organizations overcome challenges and drive long-term value in today's agile and experience-centric business landscape.

1

2

3

4

Industries We Serve

Services We Offer

A

B

C

D

### Digital & Cloud

Birlasoft is a trusted partner in guiding customers through their digital transformation journeys, delivering maximum value. Birlasoft leverages its expertise in digital and emerging technologies, along with smart digital tools, to help organizations achieve tangible benefits. Cloud technology has become omnipresent, transitioning from a mere technology differentiator to a vital catalyst for growth, agility, and exceptional experiences across the entire value chain. Birlasoft curates a relevant portfolio of innovative cloud services, bolstered by intelligent automation and a strong partner ecosystem, to effectively address specific business objectives.

### DATS

Birlasoft's Data Analytics Transformation Services (DATS) enable enterprises to derive valuable insights from their data, fueling business transformation. With expertise in advanced analytics technologies like machine learning, artificial intelligence, data mining, and predictive modeling, Birlasoft helps clients make informed decisions, optimize operations, uncover new opportunities, and drive growth and profitability.

### ERP

Birlasoft's foresight and global partnerships with top-tier technology providers positions the company to drive impactful transformations in critical business scenarios. The Company's comprehensive enterprise services target operational aspects such as process execution, product management, marketing, and distribution/supply chain, unlocking maximum value. As digital transformation reshapes global enterprises, Birlasoft enables seamless integration of business systems with cloud, data, and intelligent technologies to drive success in the digital journey.

### ICTS

Birlasoft offers a comprehensive suite of solutions, including cloud consulting, migration, development, and managed services, empowering customers to embrace the future. The Company's Infrastructure and Cloud Technology services enhance operational efficiency and minimize investment requirements. Birlasoft's expertise in technology consulting and system integration has helped clients drive transformative change through datacenter transformation, Cloud migration, workplace transformation, network modernization, and system integration.

# Birlasoft's CSR DNA

Birlasoft works towards positively impacting the society by delivering economic, social, and environmental benefits to all its internal and external stakeholders. Through Corporate Social Responsibility (CSR) initiatives, Birlasoft contributes to sustainable economic development by aligning its corporate goals with societal needs.

## INITIATIVES TO EMPOWER COMMUNITIES

Birlasoft believes in giving back to society and the communities it operates in. The two main themes guiding Birlasoft's programs are:

**Environmental sustainability**

Focuses on maintaining air, water, soil quality, and ecological balance.

**Women and children development**

Focuses on education, health, hygiene, scholastic development of children from socio-economically weaker sections, empowerment, and enablement of women through education, and skill development initiatives.

# CSR VISION

Birlasoft maintains high governance standards, ensuring decisions align with stakeholders' interests and aspirations. Ethics forms the foundation of CSR and is a strong pillar of corporate governance, balancing economic and social goals.

Birlasoft follows a top-down approach where leaders actively encourage employees and their family members to participate in community development programs and initiatives. A robust platform facilitates volunteering opportunities for employees to contribute to society based on their interests and skills. Activities include skill impartation, mentoring, community support, and awareness sessions on various topics. Passionate employees are recognized and rewarded.


Birlasoft reports CSR projects through a robust monitoring mechanism, ensuring transparency. Sustainability and annual reports are published on the company website, and effective communication tools are leveraged to disseminate CSR-related information to its internal audience.

**Create | Collaborate | Change | Consistency**


# Governance of THE CSR FUNCTION

Responsible for the overall governance of projects in the chosen thematic areas

Oversees the conduct of the CSR operations, audits the impact of these operations periodically, and provides guidance to the Steering Committee accordingly.

  
**Apex Committee**  
Chaired by  
Amita Birla

Responsible for the overall implementation of projects in the chosen thematic areas.

  
**Steering Committee**

Governed by a team of managers and executives who volunteer to address the execution of the social development projects.

  
**CSR Council**

## BOARD OF DIRECTORS

## PROJECTS UNDERTAKEN IN FY 2023

Birlasoft's in-house teams collaborate with NGOs to carry out CSR programs.



**Preventive Healthcare Program for Women**

**i-PLEDGE**

**Joy of Giving**

**The Live, Love, Laugh Foundation**

**Shodhan:** Birlasoft's flagship award-winning project, inception in 2017, has been educating farmers in Punjab and Haryana to reduce crop residue burning. Collaborating with the CII Foundation and local and corporate volunteers, Birlasoft conducts awareness sessions to orient them with new sustainable farming practices. To date, it has covered **104 villages in Punjab and Haryana and approximately 74,000 acres of farmland**. During this fiscal, Birlasoft received an award for 'CSR Project of the Year' at the 8th CSR Impact Awards.

**Disha:** Focused on nurturing and providing quality education to underprivileged children and empowering aspiring women from marginalized communities. Over **1400 individuals** have benefited from this project.

**e-Vidya:** Empowering women through digital literacy, providing training on soft skills and corporate exposure. **2300 women** have benefited from the program. Recognized with a **Certificate of Appreciation in the Education category by SABERA**.

**Preventive Healthcare Program for Women:** Partnered with the William J. Clinton Foundation (WJCF) to improve access to screening and treatment of pre-cancerous lesions in the state of Rajasthan. Engaging with the state government and public health facilities, the program aims to strengthen access to care, and has so far benefitted **2000 women**.

**I-Pledge**, initiated in 2018, focuses on women's health, providing sanitary napkins to underprivileged women along with awareness sessions. **3000+ beneficiaries**.

**Joy of Giving:** a month-long festival connecting employees and their families with NGOs and communities in need.

Additionally, Birlasoft has collaborated with **The Live, Love, Laugh Foundation** to focus on rural mental health programs. The initiative provides free psychiatric treatment, support group meetings, access to government-aided schemes, and rehabilitation, in the state of Odisha.

## STATUTORY REPORTS

# Management Discussion and Analysis

Birlasoft prides itself as a reliable partner for the business and digital transformation of its customers across multiple sectors globally. The Company combines the blended power of domain expertise, enterprise, and emerging technologies to reimagine business processes for customers and their ecosystem. Birlasoft's consultative and design-thinking approach makes societies more productive by helping customers run businesses. With its 12,000+ employees, Birlasoft, part of the multi-billion dollar CK Birla Group, is dedicated to carrying forward its 161-year old tradition of building sustainable communities.

The CK Birla Group is a diversified \$ 2.9 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.

Birlasoft has, over the years, been able to differentiate itself as a leading player within the Indian IT Services and Solutions industry with a wide spectrum of offerings and capabilities. The Company derives most of its revenues from the export markets, where it serves customers chiefly in the Banking, Financial Services and Insurance (BFSI), Manufacturing, Lifesciences, and Energy & Utility (E&U) sectors. Birlasoft's offerings are characterised by capabilities across the key service lines of Digital, Cloud, Data & Analytics, ERP, and IT Infrastructure. The Company operates in a highly competitive environment and is also subject to both tailwinds as well as headwinds emanating from macroeconomic factors.

### Review of the macro-environment

#### Global Economy

In recent years, the world economy has been heavily burdened by significant macroeconomic pressures ranging from the COVID-19 pandemic to the Russia-Ukraine conflict, supply chain disruptions and resulting inflationary pressures that have then led to monetary tightening by central banks. These factors tend to affect consumer and market sentiment, leading to greater caution as corporations and individuals alike seek evidences of sustained economic expansion or revival.

In the US, partly due to tighter monetary and fiscal policy and partly on account of relatively subdued consumer sentiment, economic growth during the Calendar Year (CY) 2023 is expected to be weaker than in CY 2022. Europe's economy too has been exhibiting a similar trend, as high energy costs and lower output is affecting overall growth. Provided energy costs ease off, employment

growth remains healthy, and supply chain issues are resolved, then the recessionary environment in the western economy, which contribute much of the Company's revenues, can witness some revival. Improved household income and increase in savings should then drive demand and economic growth.

The emerging economies, encouragingly, appear to be outperforming developed economies in terms of growth rates, with India proving to be particularly resilient.

#### Indian economy

The Indian economy continued to demonstrate remarkable recovery after the pandemic-affected period in the face of weakness in the global economic environment. Propelled by robust domestic demand and sustained government spending, economic activity in India has remained elevated and the country has been spearheading the global economy's recovery. Moreover, the Indian government's emphasis on increasing the disposable income of taxpayers in the Union Budget of FY 2023-24 is likely to support discretionary spending, which in turn should drive consumption. Additionally, the government's strong push for capital expenditure, with an increased capex outlay of 37.4% compared to the fiscal year 2022-23, is anticipated to stimulate growth, investments, and job creation.

Strong domestic demand and supportive government policies are likely to sustain India's status as one of the world's fastest-growing major economies. Given that Birlasoft's operations have a global delivery model, the Company has an extensive delivery footprint in India with a majority of its human resources sourced from and based in multiple cities across the country.

### Review of the Indian IT Services industry's performance and outlook

Over the past two years, the Indian technology sector has strengthened its position as a leading service provider and has remained at the helm of remarkable digital transformation journeys across the world. While FY'22 was a year of strong growth amid resurgence, FY'23 has seen continued revenue growth with a focus on bolstering industry fundamentals and enhancing competencies.

The Indian technology industry body NASSCOM estimates India's technology industry sales, including hardware, to have reached \$ 245 billion in FY 2023, up by \$ 19 billion from the previous fiscal, an 8.4% year-on-year (YoY) increase. With \$ 194 billion in exports, growth during FY'23 is expected to be 9.4% in reported currency terms and 11.4% in constant currency terms. The IT Services segment is estimated to register a growth of 8.3% during FY'23, with IT Services exports growing faster at 8.9% to \$ 103.7 billion.

The sector continued to add employees during FY'23, and NASSCOM estimates that it will touch a total of 5.4 million (5.7% YoY increase) people, thereby further reiterating India's position as the 'Digital Talent Nation' for the entire world<sup>1</sup>.

<sup>1</sup> <https://www.nasscom.in/knowledge-center/publications/technology-sector-india-2023-strategic-review>

Technology remains a strategic enabler, essential for organisations to drive operational and financial efficiency while also supporting innovation, competitiveness, and transformation. Enterprises are increasingly relying on technology to scale up automation, humanize user experience, streamline their supply chain, improve cyber resilience, and achieve their sustainability goals.

Amidst signs of deceleration, a 2.9%<sup>2</sup> global growth is anticipated during CY 2023. Volatility and corporate resilience are expected to coexist in an uncertain global economic landscape. Businesses around the world are expected to face some challenges, including demand contraction in some sectors and decision-making delays, as a result of this uncertainty. While this might result in some shifts in priorities in the medium term, organisations are likely to leverage technology to better differentiate themselves in the marketplace, optimise operations, and transform to meet the demands of an evolving consumer base.

Even as cost takeout and optimisation engagements gain some traction given the macro environment, digital transformation of businesses are likely to remain a key long-term strategic focus for enterprises worldwide. This should drive demand for integrated use cases and greater value realisation from tech spends, with businesses leveraging enterprise solutions and technologies like cybersecurity, cloud, AI, and analytics. New themes such as hyper-automation and virtual experiences are gaining prominence. As businesses become more responsive to the end-users, they are expected to demand higher purpose-driven collaboration and domain specialisation from their technology partners. The recent emergence of Generative AI will further help in driving significant productivity and efficiency improvements operationally as well in the value delivered to the end customers. A majority of, if not all, service providers are evaluating specific business cases in areas of customer experience, delivery automation, business operating model and other functions to enhance value for both internal and external stakeholders.

The coming year is likely to see technology providers benefit from lower attrition rates and improved utilisation, through consolidation and strengthening of existing competencies and make early moves into new opportunities. Sustained focus on digitalisation and digital UX/CX, cloudification, cloud-enabled services, data analytics, and cybersecurity are expected to be key growth drivers for the information technology industry. Access to and retention of high quality talent will continue to be a key underlying theme, highlighting the importance of specialised skills in emerging tech fields like Cloud, Artificial Intelligence, Machine Learning and related areas. Therefore, reskilling and upskilling is likely to remain the norm for the industry. Among the other key themes that are likely to unfold over the next few years and will be relevant for players in the information technology industry are (1) demand shifts, geopolitical dynamics, and tech regulations; (2) transition from being service providers to partners in digital transformation; (3) differentiation through digital expertise and innovation; and (4) trust, resilience, inclusive talent, and sustainability for enhanced competitiveness. These key themes are likely to create substantial opportunities and also present risks for those that do not adapt in a timely or meaningful manner.

**Birlasoft: Driving growth with a bold, agile and ambitious mindset**

Birlasoft has, over the years, built strong domain expertise in its chosen verticals of focus along with distinct capabilities across a set of service lines that enable a high degree of differentiation and superior customer satisfaction. These industry verticals are Manufacturing, BFSI (Banking, Financial Services, and Insurance), Lifesciences, and Energy & Utilities. The Company's competitive advantages in these industry verticals is driven by its micro-verticalization, domain specialization, established track-record, and investments in a wide range of competencies. Birlasoft stands unmatched amongst similar-sized firms on account of its ability to offer comprehensive end-to-end solutions and services to its clients on the back of scaled-up capabilities throughout the full stack from Digital to Cloud, Data & Analytics, Infrastructure Management, and ERP.

Leveraging its strengths in platforms and processes such as SAP, Oracle, J.D. Edwards, Microsoft, Amazon Web Services (AWS), Google Cloud, Salesforce.com, and ServiceNow, among others, the Company has been able to attract, retain, and grow multiple marquee customers. Birlasoft has also been accumulating significant depth in emerging technologies that include Robotic Process Automation (RPA), Machine Learning/AI/ML, and Generative AI. As a consequence of its delivery capabilities as well as its ability to stay in sync with new technologies, the Company enjoys multi-year relationships with several of its customers, including many of its largest ones.

Birlasoft is now undergoing a significant transition, led by a refreshed leadership team, as it embarks upon the next phase of its growth trajectory. The Company's strategies are centred around driving growth through relevant and scaled up tech capabilities, a sharp focus on select industry verticals and service lines, and an organisational culture that prioritises innovation and exceptional service delivery to customers.

On the organisational front, during the year under review the Company inducted Angan Guha as Chief Executive Officer and Managing Director. Angan has extensive experience in scale and business transformation, brand building, strong customer engagement, and building high-performing teams – all of which align well with the Company's growth ambitions. Additionally, the Company has taken measures to strengthen both its front-end market-facing team as well as the service lines, delivery operations, and enabling functions, with multiple new leaders being inducted. These new leaders come with deep domain experience and extensive experience.

As the Company re-invents itself to sharpen its go-to-market focus and build a growth mindset, significant changes have been initiated along these key dimensions: (i) to become sharply focused on its chosen industry verticals and service lines, (ii) to culturally become more nimble and execution-oriented, and (iii) to be region-aligned to be closer to the markets it serves.

**Initiatives to build a growth-oriented organisation**

Among the measures undertaken to drive better growth in the coming years is a restructuring of the Company's organisation, with its operations now aligned by industry verticals. The revamped organisational structure should enable greater synergies, efficiencies, and predictability. With a focus on capability building, technology excellence, pre-sales, and solutions building, the key initiatives that are being or already have been rolled out are summarised as under:

- The front-end team and back-end leadership is being reinforced, with a mix of external hires and internal promotions.
- The organisation has been redesigned to optimise its cultural transformation initiatives around six key tenets: High 'Say-Do' Ratio, Be Bold, Customer Centricity, Quick Decision-making, Employee Centricity, and Organisation First. The objective is to ensure greater accountability and swifter action.
- At the back-end, a new COO (Chief Operating Officer) role has been created, which will be responsible for all back-end operations – leading delivery, building up capabilities from a service lines perspective, and running the Company's CIO/InfoSec and CTO functions. Consequently, the Company now has a single, unified delivery organisation. The organisation's new structure is expected to yield better efficiencies, with operations aligned by verticals,

enabling a more focused approach. With a single unified delivery system, the Company can ensure consistency and quality of its services across all verticals. Additionally, the establishment of horizontal/service lines has enabled a greater focus on capability building and technology excellence, providing the organisation with a competitive advantage.

The team and leadership reinforcements have brought in fresh perspectives and new ideas, resulting in a more dynamic and growth-oriented organisation. At the same time, a healthy mix of external hires and internal promotions has ensured continuity, contributed to a diverse and inclusive workforce, and is fostering a culture of accountability and meritocracy.

The Organisation First approach encourages better and effective collaboration while the focus on employee centricity has resulted in a motivated and engaged workforce, which is getting reflected in both employee satisfaction as well as improving attrition rates.

These changes are leading to a more future-ready organisation, deeply committed to solving customer challenges with multi-tower engagements and build upon its multiple 10+ years client relationships. The organisation is gearing up to address the opportunities around large-scale business transformations, new technologies, and changing business models.

These initiatives, which should start yielding results over the course of the year, would position Birlasoft strongly to capitalize upon the bounce-back in demand once macro headwinds ease up.

**Review of operating and financial Performance**

Particulars	(in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	47,948	41,304
Employee benefits expense	28,131	23,689
Other expenses	14,612	11,214
Total expenses	42,743	34,903
Earnings before interest, tax, depreciation & amortization	5,205	6,401
Depreciation and amortization expense	823	765
Earnings before interest & tax	4,382	5,636
Other income (Net)	228	662
Finance costs	186	130
Profit Before Tax (PBT) from continuing operations	4,424	6,167
Tax expense	1,108	1,530
Profit After tax (PAT)	3,316	4,636

Birlasoft's performance during the year under review reflects its inherent strengths as well as some initial impact from the changes that the renewed leadership has been making. The Company's consolidated revenue for the year registered a growth of 16.1% to ₹ 47,948 million. This growth was led by its top customers, with Top-10 accounts recording a growth of 17% year-on-year, and was achieved despite the discontinuation of revenue contribution from a US-based customer Invacare Corporation that had to file a petition for relief under Chapter 11 of Bankruptcy Code in the US Bankruptcy Court. This development also resulted in a one-time provision amounting to about ₹ 1,510 million during the year against the outstanding receivables and contract assets pertaining to that customer. While this matter has been put to rest now, after the settlement that was amicably entered into with Invacare recently, it did affect the Company's reported earnings for the year under review. Consolidated EBITDA for the year under review stood at ₹ 6,715 million translating into an EBITDA margin of 14%, after excluding the afore-mentioned one-time provision. Profit After Taxes (PAT) for the year stood at ₹ 3,316 million.

<sup>2</sup> <https://www.nasscom.in/knowledge-center/publications/technology-sector-india-2023-strategic-review>



From a verticals perspective, BFSI continued to do well and registered a strong growth of 17.9% year-on-year while Manufacturing grew by 11.9% during the year. The Energy & Utilities vertical too recorded a growth during the year and was up 3.4%. The Lifesciences vertical registered a decline of 8.0% in revenues, mainly on account of discontinuation of revenues from Invacare. Among the horizontals, the Business and Technology Transformation service line, with an increase of 19.2%, drove the Company's revenue performance during the year under review. It contributed 40.8% to overall revenues. The Cloud & Base Services service line was up 8.7% during FY'23 while the Enterprise Solutions service line which includes the ERP offering de-grew 4.3% owing in part to discontinuation of revenues from Invacare and some sluggishness in this service line. The Company is undertaking measures to enhance its market orientation, offerings capabilities, and executive team bandwidth to drive better growth across these verticals and service lines.

As noted elsewhere in this Report, the financial and operating performance of the Company for the year under review reflect the discontinuance of revenues from a customer (Invacare Corporation) that filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. In February 2023, Invacare, a US-based customer of the Company, had filed a petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court. As a precautionary accounting measure, Birlasoft then created a provision of ₹ 1,510 million against its outstanding receivables and contract assets as on December 31, 2022. Further to that, after consultations, the Company reached a Settlement and Mutual Release Agreement and the parties mutually provided releases and waiver from claims in the Settlement Agreement, which was approved on April 24, 2023. The Company will receive \$ 2 million for Disengagement Services ending on May 31, 2023.

The fundamentals of the business remain robust and that is evident in both the quantum of deal wins during the year, which at \$ 869 million is 24.8% higher than what was recorded in the preceding year, as well as in the cash flow generated that at \$ 84.1 million has been about 100% of adjusted EBITDA. The Company's billed Days of Sales Outstanding (DSO), at 53 days, is best-in-class. As a result of consistent strong cash flows, even after concluding a share buy-back program and paying out an interim dividend during the course of the year, Birlasoft had cash and cash equivalents of ₹ 11,278 million at the end of FY'23.

### Revenues

The Company's consolidated revenue for the Financial Year under review (FY'23) stood at ₹ 47,948 million as against ₹ 41,304 million in the preceding year FY'22, representing a growth of 16.1%. This was achieved despite discontinuance of revenue contribution from Invacare, from which revenues were recognised only in the first three quarters of FY'23. This growth performance therefore reflects the underlying strengths of the Company's overall business.

The Company's Other income (net) was lower at ₹ 228 million compared to ₹ 662 million in FY 2022. This was due to lower interest income during the year, given the lower amount of cash after share buy back and interim dividend payouts, and forex loss on account of restatement of assets.

### Expenses

Total expenses of the Company increased by 18.1%, from ₹ 34,902 million in FY'22 to ₹ 41,233 million in FY'23. This was driven by higher employee benefit expenses that were higher by 18.8% during the year, rising from ₹ 23,689 million in FY'22 to ₹ 28,131 million in FY'23.

Other expenses during FY'23 were ₹ 13,102 million, an increase of 16.8% from ₹ 11,214 million in FY'22. In addition to this, the Company's operating margins for the year reflect the one-time provision of ₹ 1,510 million on account of Invacare.

### Tax Expenses

The Company's Tax Expense for FY'23 were lower at ₹ 1,108 million and comprised 25% of the Profit Before Tax (PBT), compared to ₹ 1,530 million in FY'22. The effective tax rate has thus been stable year-on-year.

In the Income-tax Act, 1961, the Government of India added a new section 115BAA (the 'new tax regime') on September 20, 2019, through the Taxation Laws (Amendment) Act 2019. This section gave domestic companies the option to pay income taxes at a lower tax rate (25.17%, inclusive of surcharge and cess), subject to the rules/conditions outlined in the said section. The Company evaluated the underlying assumptions in light of the business reality and made the decision to choose the new tax system, which took effect from FY 2021.

### Analysis of the Balance Sheet

#### Sources of Funds

The balance sheet size of the Company was ₹ 31,873 million on March 31, 2023 compared to ₹ 33,833 million as on March 31, 2022, led by the aforementioned one-time provision taken during the year.

The net worth of the company decreased from ₹ 25,831 million as on March 31, 2022 to ₹ 24,483 million as on March 31, 2023, reflecting the reduced share capital after share buyback as well as the one-time provision. The equity share capital of the Company comprising 274.87 million equity shares of ₹ 2 each, decreased from ₹ 559 million at the end of FY'22 to ₹ 550 million by the end of FY'23.

The Company has no borrowings and is debt-free as on March 31, 2023.

Other financial liabilities decreased by 20.5% year-on-year, from ₹ 1,725 million in FY'22 to ₹ 1,371 million in FY'23 due to lower accrued employee costs.

#### Application of funds

The Company's Fixed assets (including capital work in progress) remained stable at the end the year under review at ₹ 1,488 million compared to ₹ 1,485 million at the end of FY'22.

Goodwill amount for the Company increased by 7% from ₹ 4,568 million at the end of FY'22 to ₹ 4,896 million by the end of FY'23, reflecting foreign exchange fluctuations.

The Company's investment in high-rated bonds and target maturity funds increased 37% from ₹ 541 million in FY'22 to ₹ 741 million in FY'23. This reflects better cash generation and the Company's pivot towards high-rated bonds and target maturity funds to improve yield on cash.

The Company's Other Financial Non-Current Assets rose from ₹ 162 million in FY'22 to ₹ 273 million in FY'23. This was mainly driven by higher fixed deposits with banks.

### Working Capital Management

The Company's Current Investments decreased from ₹ 7,861 million as on March 31, 2022 to ₹ 4,890 million as on March 31, 2023, reflecting cash outflow for the share buy back concluded during the year under review.

Trade receivables (billed) were up by 74% from ₹ 6,812 million as on March 31, 2022 to ₹ 7,316 million as on March 31, 2023.

Billed Days of Sales Outstanding (DSO) improved from 58 days in FY'22 to 53 days in FY'23.

Other balances and deposits with banks decreased from ₹ 922 million as on March 31, 2022 to ₹ 866 million as on March 31, 2023 as a result of outflows related to the share buyback.

Other financial current assets of the Company declined from ₹ 203 million as on March 31, 2022 to ₹ 60 million as on March 31, 2023, on account of lower security deposits and accrued interest as well as the absence of forward contracts designated as cash flow hedges.

The Company's Other Current Assets were lower by 45.8% from ₹ 3,954 million as on March 31, 2022 to ₹ 2,141 million as on March 31, 2023. This was chiefly due to a significant reduction in contract assets from fixed price contracts.

Cash and cash equivalents chiefly reflecting current account balances increased 60.7% from ₹ 2,906 million at the end of FY'22 to ₹ 4,669 million at the end of FY'23. Overall cash and cash equivalents including liquid assets such investments and deposits stood at ₹ 11,278 million on March 31, 2023. The robust cash balance provides the Company with the financial flexibility to pursue growth opportunities and withstand any economic headwinds.

To support growth, Birlasoft has a disciplined approach to managing its finances. The Company focuses on generating strong cash flows and maintaining a robust balance sheet.

### Revenue by Industry Verticals

Verticals	% of Revenue	
	FY'22	FY'23
Manufacturing	44.8%	46.8%
BFSI	17.6%	19.3%
Energy & Utilities	14.8%	14.3%
Lifesciences	22.8%	19.6%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

### Revenue by Client Geography

Revenue by Geography	% of Revenue	
	FY'22	FY'23
Americas	82.1%	84.5%
Europe	11.0%	9.5%
Rest of the World	6.9%	6.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

### Ratios

Key Financial Ratios	FY'22	FY'23
EBITDA Margin %	15.5%	10.9%
Operating/EBIT Margin %	13.6%	9.1%
Net Profit Margin %	11.2%	6.9%
Return on Equity (ROE)	19.2%	13.5%
Return on Capital Employed (ROCE)	21.8%	16.9%
Days Sales Outstanding - Billed	58	53

**Note:** Margins for FY'23 reflect the impact of one-time provision created during the year amounting to ₹ 1,510 million against the outstanding receivables and contract assets pertaining to Invacare Corporation, a customer in the US that had filed a petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court on February 01, 2023. FY'23 EBITDA margin excluding that one-time provision was 14.0%.

### Human resources

Birlasoft considers its people to be the cornerstone of its success and its human resources initiatives are driven by a strong set of values and policies. Mirroring its emphasis on maintaining and nurturing a professional, merit-driven, healthy and harmonious work environment at all levels, the Company continues to implement measures that allow its people to realise their full potential. The Company is dedicated to fostering a working environment that is ideal for incubating an innovative mindset, a value driven culture and high priority for aligning individual objectives with that of the organisation.

Birlasoft has been certified as a Great Place to Work® and reiterates the Company's commitment towards creating a conducive working environment that is free from bias and believes in offering equal opportunities to its people. The Company attributes its relentless growth to the strength of its talented workforce and prioritizes employee-centric initiatives that help to create a sense of belonging.

The Company's workforce consists of 12,193 employees as on March 31, 2023, with women employees making up 23% of that. Attrition rate, on a Last Twelve Month (LTM) basis, stood at 22.1% at the end of FY'23, a noticeable improvement from 29.4% registered at the end of the preceding financial year.

### Business outlook

The Company believes that customers will continue to spend on IT, looking for better value from their IT spend and a deeper relationship with service providers. Birlasoft has built lasting relationships with clients and continues to build capabilities in high potential domains. However, the macro-economic environment has

remained relatively subdued with challenges in the global banking sector that manifested in the latter part of FY'23 adding to the prevalent headwinds. This could result in sustained slower client decision-making by customers and prospects, as their priorities shift in response to changes in their own business landscape. Consequently, the outlook for the coming year is one of growth although the gap created due to the absence of contribution from Invacare implies that on reported basis the overall revenue performance might appear relatively muted. On the margin front, while the Company is making investments for long term growth, some of which has already happened, it is also taking measures to improve profitability during FY'24. Over the long term, the Company should be able to deliver industry-leading performance as its strategic initiatives begin to yield results.

**Internal control systems and their adequacy**

For internal controls, Birlasoft has a well-established system that is appropriate for the size and scope of its business. These were created to offer a reasonable level of assurance regarding the recording and provision of accurate financial and operational data, compliance with applicable laws, protection of assets from unauthorised use, execution of transactions with the appropriate authorization, and adherence to corporate policies. Birlasoft records data for accounting, consolidation, and Management Information System (MIS) purposes using a cutting-edge ERP system that links all areas of the Company. When it comes to approving contracts, operational budgets, and capital expenditures, the corporation has well defined authority limitations. The management evaluated the efficacy of internal controls over financial reporting at the organisation.

Ernst & Young LLP has been appointed by Birlasoft to supervise and conduct an internal audit of its operations. The audit is based on an internal audit plan that is approved by the audit committee and reviewed annually. The internal audit team periodically performs audits across the organisation, including an evaluation of the operational efficacy of internal controls. When necessary, the business hires outside consultants to conduct particular audits or reviews.

According to Section 133 of the Companies Act, 2013, Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules,

2016, and other provisions of the Companies Act, 2013, the audited consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("IndAS") as specified therein. The consolidated financial statements of the Company for the year ended March 31, 2023 have been audited by the Company's statutory auditors. They have published an unaltered view on the subject without modification.

**Discussion of risks, risk management, and mitigation**

Birlasoft employs an organised and consistent approach to assessing risks and developing mitigation strategies, as per acceptable Governance, Risks, and Compliance (GRC) practices. The Company utilises analytical approaches to evaluate and manage risks at different levels and on a regular basis across the organisation, including business units, geographic regions, delivery functions, and enabling activities. Birlasoft adheres to the highest standards of transparency with its stakeholders and hence, publishes a list of major risks and steps being taken to mitigate them.

Please refer to the section on Enterprise Risk Management for a discussion of Risks and Mitigation Plan.

**Cautionary statement**

This report contains certain forward-looking statements that are not historical facts. These forward-looking statements include our financial and growth estimates as well as declarations of our objectives, plans, strategies, and beliefs with regard to our Company and the markets we serve. These assertions are based on information currently accessible, and we disclaim any obligation to update them as events or circumstances warrant. These forward-looking statements could be considerably different from actual results due to risks and uncertainties. These risks include but are not limited to, the level of demand in the market for our services, the intense competition in the market for the types of services that we offer, market conditions that could cause our customers to lower 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

**Preamble**

In compliance with regulatory requirements and global standards (COSO framework), Birlasoft has implemented a robust Enterprise Risk Management process duly benchmarked with industry standards.

Risks are assessed and managed at various levels and at 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 # Adverse impact on business due to potential recession, inflation, geo-political events, and post-pandemic risks.**

Risk Owner: CEO

**Description:**

Impact of potential recession, inflation, geo-political developments and post pandemic risks on global economy & client business. Such unfortunate events having a negative impact in our clients can adversely impact Birlasoft.

**Mitigation Plan:**

Birlasoft management has proactively initiated several actions to minimize the financial/operational impact and ensure business continuity that can arise due to these potential risks, i.e.

- Implemented a comprehensive resilience framework to assess internal preparedness.
- Set up country risk assessment framework to review the risks and impact in the key geographies in which Birlasoft & its clients are operating.
- A management task force will be set up to regularly monitor and initiate corrective actions to manage emerging situation, as required.
- Effective cost control by identifying cost initiatives/ discretionary spends to be activated as required.
- Continuously monitoring the progress of inflation, geo-political developments and post-pandemic risks in key geographies, potential impact of opening-up of market etc.
- Reduce the dependency on Americas by extending the GTM to other Geographies to minimize impact.

Birlasoft is well poised to manage any potential risks that can arise due to this risk.

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

**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 a consequential volatility.

**Mitigation Plan:**

The Company mitigates this risk by maintaining a balance between various industry verticals, customers, geographies, 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 and industry hyperscalers 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. The organization structure has been re-aligned to provide more focus in growing the Americas as well as to increase the footprint in the rest of the world.

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

Risk Owner: CBO

**Description:**

Given the dynamic nature of the IT services industry in which the Company operates, it faces 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.

Vertical and Horizontal business units have been restructured to ensure that they support the business objectives of the Company in the most objective manner. The restructuring was done after considering best-in-class practices and offerings prevalent in the industry.

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

Risk Owner: CDO

**Description:**

Rapid transformation in technologies like artificial intelligence, 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, Cloud, Data Analytics, Platforms etc.) with swiftness and agility. The focus on building functional capabilities in desired verticals, horizontals and focused industries continue. 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 partnerships, tie-up/merger opportunities to assist in quick adaptation of emerging technologies and to enhance our footprint into new geographies. Further, the Company will also evaluate partnering at the appropriate level with start-up technology companies which provide niche solutions to the customers in the relevant service-lines.

**Risk Event 5 # Resourcing 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 internal fulfillment process to repurpose people who are coming out from project, rotate people within the existing and new engagement. Birlasoft made significant investments in building a proper skill taxonomy framework which will bring Fulfillment efficiency

& effectiveness, improved access to internal talent through greater adoption of skill profiling and data accuracy. Additional investment made on overall search and match engine to improve the internal deployment process. The whole process Internal deployment is backed up with the skilling engine which support cross and upskilling of adjacency skill and improving proficiency of the existing skill.

In addition to the above, we have a strong talent acquisition function, which devises strategies to attract qualified and skilled professionals from multiple talent pools and various sources of the external market. Talent Supply Chain (TSC) team not only focuses on fulfillment revenue project but works with business leadership team to strategies hiring for opportunity project ahead in time. TSC team along with business team have developed a robust selection process which screens and identifies the 'right' skilled resources. Significant investments have been made 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. During the year, significant investments have been made to create a robust learning and development ecosystem. 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. 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 6 # 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. The Company has invested in creating near-shore teams in LATAM and Europe regions to address emerging requirements of our customers.

**Risk Event 7 # 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 the Europe, UK Data Protection Act in the UK, 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 and creating awareness among its employees through training/communication. 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 8 # 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. 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, VAPT, 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 also have a Red Teaming agreement with a Third-party service provider to assess vulnerabilities across our environment on a periodic basis. We continue to mature the endpoint security controls to provide a high level of resilience to devices. Further, the Third-Party Risk Management compliance is at 100% where all the third parties who are connected to the Company's environment are assessed on an annual basis for the information security controls implemented in their organizations.

# Board's Report

Dear Members,

The Directors are pleased to present the 32<sup>nd</sup> 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, 2023.

## Summary of Financial Performance

The financial performance of the Company for the financial year ended March 31, 2023, is summarized below:

Particulars	(₹ in million)			
	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Revenue including Other Income	24,514.14	21,235.07	48,175.80	41,965.52
Earnings Before Interest, Depreciation and Tax	3,529.78	4,760.58	5,432.76	7,063.25
Less: Interest	98.44	107.18	185.89	130.16
Less: Depreciation	759.36	685.10	822.65	765.10
Profit before exceptional items and tax	2,671.98	3,968.30	4,424.22	6,167.99
Exceptional items	-	-	-	(1.37)
Profit before tax	2,671.98	3,968.30	4,424.22	6,166.62
Less: Taxes	668.34	1,007.82	1,108.38	1,530.24
Profit for the Year	2,003.64	2,960.48	3,315.84	4,636.38
Other Comprehensive Income/(Loss)-net of tax	(107.54)	(102.34)	912.52	294.61
Total Comprehensive Income for the year	1,896.10	2,858.14	4,228.36	4,930.99

## Business Performance

During the year under review (FY'23), the Company delivered a growth-led performance with expansion in revenue as well as deal signings. This was achieved during a period that witnessed rising macro-economic uncertainty, ascending interest rates owing to inflationary pressures, and challenges arising within certain industries in western economies.

On a consolidated basis, revenues for the year under review grew by 16.1% to ₹ 47,948 million from ₹ 41,304 million in the previous year. Earnings before interest, tax, depreciation, and amortization (EBITDA) stood at ₹ 5,205 million (₹ 6,401 million in FY'22). Net Profit after tax stood at ₹ 3,316 million (₹ 4,636 million in FY'22), translating into a basic earnings per share of ₹ 11.96 for the year (₹ 16.63 in FY'22).

On a standalone basis, revenue from operations increased by 18.0% to ₹ 24,172 million in FY'23 from ₹ 20,494 million in the previous year. Net Profit after tax stood at ₹ 2,004 million (₹ 2,960 in FY'22). The financial performance of the Company during the year under review, both consolidated and standalone, reflect the impact of one-time provision and the discontinuation of revenue pertaining to a customer that filed a petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court, on 01 February 2023.

During the course of the financial year, Birlasoft continued to reinforce its management team, augment its capabilities, and accentuate its differentiators to drive sustained growth and deliver exceptional service to its customers. On the organization front, Birlasoft underwent a leadership transition with Angan

Guha taking over as the CEO and MD in December 2022. Further, the Company is undergoing an organizational transformation, which is chiefly around two dimensions in order to (1) become sharply focused on select verticals and service lines, and (2) culturally become more nimble and execution-oriented.

As part of ongoing investments in enhancing emerging technologies capability, the Company has expanded its delivery footprint with a new Delivery Centre in Coimbatore, Tamil Nadu. This new Delivery Centre, with 250 seating capacity that was operationalized during the fourth quarter of FY'23, enables access to an emerging lower-cost tech talent hub.

During the year under review, the Company also amicably entered into a Settlement and Mutual Release Agreement with one of its customers in the US, Invacare Corp (Invacare). This Agreement followed consultations after the filing of voluntary Chapter 11 proceedings under the US Bankruptcy Code by Invacare on February 1, 2023. As a prudent accounting practice, the Company created a provision amounting to US\$ 18.97 million against the outstanding receivables and contract assets as on December 31, 2022. The resulting discontinuation of revenue contribution from this customer and the aforesaid provision are reflected in the Company's financials for the period under review. In April 2023, the Company's wholly-owned subsidiary Birlasoft Solutions Inc. entered into the aforementioned Settlement and Mutual Release Agreement with Invacare. As per the Settlement Agreement approved on April 24, 2023, parties have mutually provided releases and waiver from claims. Birlasoft Solutions Inc. would receive \$ 2 million for Disengagement Services ending on May 31, 2023. This Settlement Agreement is a positive step forward for the Company as it puts the uncertainties around

this particular account behind and allows the management team to focus completely on driving business growth going forward.

On the back of its sales efforts, customer engagements, and established technology capabilities, Birlasoft registered some important operating accomplishments during the year, with multiple order wins including multi-million dollar engagements from both existing and new clients. This has resulted in strong deal wins amounting to a Total Contract Value (TCV) of US\$ 869 million during FY'23, a 24.8% increase over the preceding financial year.

Strong deal signings and a healthy opportunity pipeline indicate a positive performance outlook in the next financial year.

The Management Discussion & Analysis of the Company's business, industry, and performance, appears separately in this Annual Report.

## Buyback of Equity Shares

The Company bought back 7,800,000 fully paid-up equity shares representing 2.79% of the total number of equity shares in its paid-up share capital as at March 31, 2022, at a price of ₹ 500/- per equity share, for an aggregate amount of ₹ 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 (the "Buyback").

The Buyback period commenced on August 11, 2022 and closed on August 26, 2022. The settlement of bids and payment of buyback consideration was made on September 2, 2022, and the shares were extinguished on September 6, 2022. A capital redemption reserve was created to the extent of share capital extinguished (₹ 15.6 million).

The details pertaining to Buyback are available on the website of the Company at <https://www.birlasoft.com/company/investors/birlasoft-buyback-2022>.

## 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.

Further, your Directors are pleased to recommend final dividend of ₹ 2/- (100%) per equity share of face value of ₹ 2/- each for the financial year ended March 31, 2023, subject to approval of the Members at the ensuing Annual General Meeting ("AGM") of the Company.

The total dividend amount for the financial year 2022-23, including the proposed final dividend, amounts to ₹ 3.50/- per equity share of the face value of ₹ 2/- each.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, as amended, dividend paid or distributed by the companies shall be taxable in the hands of the Members. The Company shall, accordingly, make the payment of dividend after deduction of tax at source, at the rates prescribed therein.

Payment of 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 2022-23, if approved by the Members at the AGM, is Friday, July 14, 2023.

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 ("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 3,174,465 equity shares of ₹ 2/- each, under its Employees Stock Option Plans and bought back 7,800,000 shares from the Members. The issued, subscribed and paid-up capital of the Company, as on March 31, 2023, is ₹ 549,741,094, consisting of 274,870,547 equity shares of ₹ 2/- each.

## Transfer to General Reserves

During the year under review, the company has not transferred any amount to General Reserve. For complete details on movement in Reserves and Surplus during the financial year ended March 31, 2023, please refer to the 'Statement of Changes in Equity' included in the standalone and consolidated financial statements of this Annual Report.

## Credit Rating

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

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

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 4.5 on 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 on 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

The Company is committed to productivity improvements to create a future abundant with a wealth of knowledge. Multiple initiatives like Knowledge Management, bRight, bAutomate, UREKA, MyTime and Value IN Customer's Interest ("VINCI") enable the Company to harness latent knowledge in the organization and mobilize it.

bRight is an initiative that has been introduced to celebrate our accounts with exemplary performance, cross-account learning opportunities through eight different themes.

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, 2023, the total Institutional Shareholding in the Company was 32.68% of the total paid-up equity share capital.

### Subsidiaries, Associates and Joint Venture Companies

As on March 31, 2023, the Company has 14 subsidiaries, including step-down subsidiaries. The Company has two material subsidiaries, viz., Birlasoft Solutions Inc. & Birlasoft Inc., details of which are given in the Corporate Governance Report.

Further, Enablepath, LLC, a step-down subsidiary of the Company, has merged with Birlasoft Inc. (wholly owned subsidiary of the Company) w.e.f. April 1, 2023.

As per Section 129(3) of the Companies Act, 2013 ("the Act"), consolidated financial statements of the Company and all its

subsidiaries have been prepared, and 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 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 at [www.birlasoft.com](http://www.birlasoft.com).

During the financial year 2022-23, 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, six meetings of the Board were held on May 23, 2022, August 3, 2022, October 21, 2022, November 4, 2022, February 2, 2023, and March 30, 2023. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Act and SEBI (LODR) Regulations, 2015.

A detailed update on the Board and its Committees' composition, meetings held and attendance of the Directors at these meetings is provided in the Corporate Governance Report, which forms a part of this Annual Report.

### Directors and Key Managerial Personnel

During the year under review, Dharmander Kapoor (DIN: 08443715) resigned from the position of Chief Executive Officer & Managing Director ("CEO & MD") and as a Key Managerial Personnel ("KMP") of the Company effective end of business hours of November 30, 2022.

Pursuant to the recommendation of the Nomination and Remuneration Committee (the "NRC"), and approval of the Board on November 4, 2022 and of the Members (through postal ballot) on January 13, 2023. Angan Guha (DIN: 09791436) was appointed as the CEO & MD and a KMP of the Company for a period of 3 years, effective December 1, 2022. As Angan is not a resident of India as stipulated under Part 1 (e) of Schedule V to

the Companies Act, 2013, the Company has made an application to the Central Government for seeking its approval to the said appointment. As required under Section 197(14) of the Act, the details of remuneration paid to Angan Guha from Birlasoft Solutions Inc., a wholly owned subsidiary of the Company, are given in the Corporate Governance Report.

Anant Talaular (DIN: 00031051) completed his second term as Independent Director of the Company on October 20, 2022, and consequently ceased to be a Director of the Company.

Ananth Sankaranarayanan (DIN: 07527676) was appointed as an Independent Director of the Company, for a period of 5 years effective February 2, 2023, pursuant to the recommendation of the NRC, and approval of the Board on February 2, 2023 and of the Members (through postal ballot) on March 23, 2023.

Chandrasekar Thyagarajan resigned as the Chief Financial Officer and a KMP of the Company, effective end of business hours of February 2, 2023.

The following persons are currently designated as 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	Angan Guha	09791436	Chief Executive Officer & Managing Director
2	Kamini Shah	FCA 203593	Chief Financial Officer
3	Sneha Padve	ACS 9678	Company Secretary

### 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:

- Ashok Kumar Barat (DIN: 00492930);
- Ananth Sankaranarayanan (DIN: 07527676);
- Alka Bharucha (DIN: 00114067); and
- Nandita Gurjar (DIN: 01318683).

All the abovenamed Directors have registered themselves with the Independent Directors Databank. They are either exempted from or have complied with 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, including those appointed during the year, possess the requisite qualifications, experience and expertise and hold the high standards of integrity.

### Auditors

#### - Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 101248W/W-100022), were re-appointed

Kamini Shah was appointed as the Chief Financial Officer and a KMP of the Company, effective April 3, 2023, pursuant to the recommendation of the NRC and approval of the Audit Committee and the Board.

Your Directors place on record their appreciation for the valuable contribution made by the retiring and resigning Directors and the CFO during their tenure with the Company.

In accordance with Section 152 of the Act, Chandrakant Birla (DIN: 00118473), Non-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 his re-appointment for the approval of the Members at the ensuing AGM. A brief profile and other details relating to Chandrakant Birla is provided in this Annual Report.

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

as the Statutory Auditors of the Company, in the AGM held on August 7, 2019, for a period of 4 years till the conclusion of the AGM to be held in the year 2023. They have completed 10 years as Statutory Auditors of the Company. The provisions regarding rotation of auditors, as prescribed under the Act, are applicable to the Company. Hence, it is proposed to appoint M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration Number - 324982E/E300003), as the Statutory Auditors of the Company, for a period of 5 years, to hold office from the forthcoming AGM till the AGM to be held in the year 2028, to the Members for their approval.

Accordingly, an item for appointment of M/s S R B C & Co. LLP as the Statutory Auditors of the Company is being placed at the ensuing AGM for approval of the Members. Information about the proposed appointment of statutory auditor is given in the Notice of AGM, which forms part of this Annual Report. The Board recommend their appointment to the Members.

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, 2023.

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)(c) 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. The scope of work, including annual internal audit plan, authority and resources, is regularly reviewed and approved by the Audit Committee. Annual internal audit plan is aligned with the ERM to ensure that all critical risks are covered in the audit plan. Besides, Internal Audit work is supported by the services of leading international audit firms.

**Annual Secretarial Compliance Report**

The Company has undertaken an audit for the year ended March 31, 2023, pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 for all applicable compliances as per the said Regulations. The Annual Secretarial Compliance Report duly signed by Dr. K. R. Chandratre, Practising Company Secretary is available on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

**Corporate Governance**

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, Corporate Governance Report for the year ended March 31, 2023, 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 & Recognitions**

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

1. Recognized by Microsoft as a Solution Partner for Infrastructure and Cloud workloads (Azure) and for Azure Data and AI.
2. Birlasoft's Project Shodhan conferred with CSR Project of the Year at India CSR Summit 2022.
3. Conferred with BTX Top Enterprise Award 2022 Asia at BTX Roadshow and Transformation Awards 2022 Asia.
4. Birlasoft conferred with the “CXO Cloud Leadership Award” under the category “Digital Transformation using Cloud” at CXO Cloud Summit and Award 2022.
5. Conferred with “Best Use of Cloud Services - IT” at the 3<sup>rd</sup> Technology Excellence Awards 2023
6. Birlasoft earns DevOps with GitHub on Microsoft Azure Advanced Specialization
7. Birlasoft won the Information Software System Integrator Innovator Award at Asia Pacific Partner Network™ Conference 2022 by Rockwell Automation
8. Birlasoft's Partner Pernod Ricard India awarded Excellence in Debut Automation Program at UiPath Automation Excellence Awards 2022
9. Birlasoft recognized as 'Leader' in ISG's SAP Ecosystem 2022 ISG Provider Lens™ Study for the U.S.
10. Birlasoft identified as a 'Leader' in the 'Salesforce Ecosystem Partners 2023' ISG Provider Lens™ Study for 'Implementation Services for Core Clouds Midmarket' and 'Managed Application Services for Midmarket' quadrants in the U.S. Also positioned as a 'Contender' in 'Implementation Services for Industry Clouds' quadrant for the U.S. and 'Managed Application Services for Midmarket' for the U.K. quadrant.
11. Birlasoft recognized in the Leadership Zone in Zinnov Zones's Intelligent Automation Services H1- 2023
12. Birlasoft positioned as a 'Leader' and 'Contender' in various quadrants for ISG Provider Lens™ Quadrant study on Next-Gen ADM Services 2022.
13. Birlasoft identified as a 'Rising Star' in the Digital Business Enablement and ESG Services 2022' ISG Provider Lens™ Study - U.S. for the 'Supply Chain Transformation Services' quadrant. Also identified as 'Leader' in 'Traditional Enterprise' Archetype report of this study.
14. Birlasoft identified as a 'Leader/Rising Star' in the 'Oil and Gas Industry - Services and Solutions 2022' ISG Provider Lens™ Study - North America, Nordics. Recognized as 'Leader' in Data Management and Cloud Computing- North America; 'Rising Star' in Data Management and Cloud Computing - Nordics, Next-Gen IT/OT Services- North America.
15. Birlasoft recognized as a 'Rising Star' in Life Sciences Digital Services 2022 ISG Provider Lens™ Study- Global for 'MedTech Digital Transformation' quadrant. Also positioned as 'Product Challenger' in: 'Patient Engagement Digital Transformation' and 'Manufacturing Supply Chain Digital Transformation' quadrants.

16. Birlasoft positioned as a 'Rising Star' in the 'Enterprise Service Management 2023' ISG Provider Lens™ Study - U.S. for 'ESM Consulting Services' quadrant. Also positioned as 'Product Challenger' in: 'ESM Managed Services' and 'ESM Implementation & Integration Services' quadrants.

**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, 2021, 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 zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention and prohibition of sexual harassment at workplace. The Company has also put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. This process ensures complete anonymity and confidentiality of information. An Internal Complaints Committee has been constituted which is responsible for redressal of complaints related to sexual harassment.

During the year under review, four complaints of sexual harassment were 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	4
Number of cases pending at the end of the financial year	1
Details of workshops or awareness programs against sexual harassment carried out	The Company regularly conducts necessary awareness programs & trainings for its employees & the Internal Complaints committee members. All new employees are provided detailed education during their induction and required to complete a mandatory training at the time of joining. All existing employees are required to complete annual refresher trainings.
Nature of action taken by the employer or district officer	Basis the inquiry and recommendations, the following actions were taken: - One accused employee was terminated. - Another accused employee was issued warning and transferred to another location. - Accused in the third incident was a vendor resource, whose contract was immediately terminated and vendor withdrew the resource from the services of the Company.

**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**

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.

### Risk Management Policy

The Company has constituted a Risk Management Committee (the "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 five 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, have 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 2022-23. 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. List of key skills, expertise & core competencies of the Board, including the Independent Directors is provided in the Corporate Governance Report.

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 a 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 <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 <https://www.birlasoft.com/company/investors/policies-reports-filings#annual-return>.

### 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, 2023, 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, 2023 and of the profit of the Company for the year ended March 31, 2023;
- 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 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 at its meeting held on May 8, 2023.

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

### 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 continue to be listed on National Stock Exchange of India Limited and BSE Limited. The Annual Listing Fee for the financial year 2023-24 has 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.

### 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:

- Details relating to Deposits covered under Chapter V of the Act;
- Issue of sweat equity shares or equity shares with differential rights as to dividend, voting or otherwise;
- Raising of funds through, preferential allotment or qualified institutions placement;
- Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees;
- Significant or material order passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future;
- Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016; and
- Instance of one-time settlement with any financial Institution.
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013.

### Acknowledgments

The Board of Directors take this opportunity to thank all the Members of the Company for their continued support.

The Directors thank all the customers, vendors, investors and bankers for their continued support during the year. The 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.

The Directors further thank the governments of various countries where the Company has its operations. The 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 and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Amita Birla  
Chairman  
DIN: 00837718

New Delhi  
May 8, 2023

Annexure 1

**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

Sr. No.	Name of the Subsidiary	(₹ in million except exchange rate)														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	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
	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Share capital	8.92	4,577.40	9.04	419.47	26.49	2.23	65.15	0.00*	50.67	41.08	662.45	15.20	0.09	0.23	
	Reserves & surplus	211.66	1,869.02	1,062.62	(346.04)	150.62	24.37	205.57	1,163.04	212.72	6,369.46	(1,183.23)	213.52	32.47	(42.25)	
	Total assets	1,078.46	10,450.59	2,125.29	405.72	179.65	248.74	389.96	816.40	1,822.21	8,324.14	(520.77)	728.29	85.93	51.93	
	Total liabilities	857.88	4,004.16	1,053.63	332.29	2.54	222.14	119.24	(346.64)	1,558.83	1,913.60	-	499.56	53.36	93.95	
	Investments (except in case of investment in subsidiaries)	178.40	439.53	-	-	-	-	186.53	0.02	-	1,807.89	-	-	-	-	
	Turnover	837.25	17,248.86	2,838.37	1,463.83	85.87	525.04	763.46	1,274.72	1,473.98	20,971.27	-	1,343.22	87.32	93.06	
	Profit/(Loss) before taxation	(244.24)	(174.89)	(75.91)	(87.52)	(17.99)	51.47	174.05	90.10	14.80	1,972.21	(30.16)	71.82	6.39	(29.10)	



Sr. No.	Name of the Subsidiary	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Birlasoft Solutions France			Birlasoft Computer Corporation	Birlasoft Consulting, Inc. (Refer note 'a' below)	Birlasoft Solutions ME FZE (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 Inc.	Enablepath, LLC (Refer note 'f' below)	Birlasoft (UK) Limited (Refer note 'h' below)	Birlasoft Sdn. Bhd.	Birlasoft Solutions Mexico, S.A. DE C.V. (Refer note 'g' below)
	Provision for taxation	-	132.39	11.36	(31.44)	(0.20)	(1.93)	(38.28)	(52.63)	2.59	(443.30)	-	(14.57)	(1.68)	(2.35)
	Profit/(Loss) after taxation	(244.24)	(42.50)	(64.54)	(118.96)	(18.18)	49.53	135.77	3747	1739	1,528.90	(30.16)	57.25	4.72	(31.45)
	Proposed Dividend % of shareholding	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:

- a) 100% owned by Birlasoft Solutions Inc.
- b) Includes Australia Branch and Korea Branch. The Korea Branch is closed effective August 2, 2022.
- c) 100% owned by Birlasoft Solutions Limited.
- d) 99.98% owned by Birlasoft Solutions Inc. and 0.02% owned by Birlasoft Limited.
- e) 100% owned by Birlasoft Computer Corporation.
- f) 100% owned by Birlasoft Inc. and merged into Birlasoft Inc. effective April 1, 2023.
- g) 98% owned by Birlasoft Solutions Inc. and 2% owned by Birlasoft Consulting, Inc.
- h) 100% owned by Birlasoft Inc. and includes Netherlands Branch.
- i) Includes Spain Branch and Slovakia Branch.
- j) 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

Angan Guha  
**CEO & Managing Director**  
 DIN: 09791436  
 Pune

Amita Birla  
**Chairman**  
 DIN: 00837718  
 New Delhi

Sneha Padve  
**Company Secretary**  
 Pune

May 8, 2023

Annexure 2

# SECRETARIAL AUDIT REPORT

for the financial year ended 31 March, 2023

[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 period covering the financial year ended on 31 March, 2023 ('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, 2023 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 Bye-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 and Sweat Equity) Regulations, 2021;
- (e) 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, 2021; (**Not applicable to the Company during the Audit Period**) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- (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:
  - (a) 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 with respect to Meetings of the Board of Directors (SS-1) and General Meetings (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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

UDIN: F001370E000271631  
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.

the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit Period, the following specific event took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

- Buyback of 7,800,000 fully paid equity shares of ₹ 2/- each of the Company being 2.79% of the total number of equity shares in the paid-up share capital of the Company at a price of ₹ 500/- (Rupees Five Hundred only) per equity share for an aggregate amount of ₹ 3,900 million (Rupees Three Thousand and Nine Hundred million Only) being less than 25% of the aggregate of the total paid-up equity capital and free reserves of the Company as on March 31, 2022.

Place: Pune  
Date: 8 May, 2023

#### 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

UDIN: F001370E000271631  
Peer Review Certificate No.: 1206/2021

Place: Pune  
Date: 8 May, 2023

**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	Name of Director/Key Managerial Personnel <sup>#</sup>	Designation	Disclosure
i.	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year.	Amita Birla Chandrakant Birla Ashok Kumar Barat Alka Bharucha Nandita Gurjar Anant Talaulicar Dharmander Kapoor Angan Guha Ananth Sankaranarayanan	Non-Executive Director, Chairman Non-Executive Director Independent Director Independent Director Independent Director Independent Director CEO & Managing Director CEO & Managing Director Independent Director	3.67 1.47 2.20 1.47 1.47 Not comparable as figures for FY 2022-23 are for part of the year*
ii.	The percentage increase in remuneration of each Director, CFO, CS in the financial year.	Amita Birla Chandrakant Birla Ashok Kumar Barat Alka Bharucha Nandita Gurjar Sneha Padve <sup>®</sup> Anant Talaulicar Dharmander Kapoor Chandrasekar Thyagarajan Angan Guha Ananth Sankaranarayanan	Non-Executive Director, Chairman Non-Executive Director Independent Director Independent Director Independent Director Company Secretary Independent Director CEO & Managing Director Chief Financial Officer CEO & Managing Director Independent Director	NIL NIL NIL NIL NIL (17.07) Not comparable as figures for FY 2022-23 are for part of the year*
iii.	The increase in the median remuneration of employees in the financial year.	13.56%		
iv.	The number of permanent employees on the rolls of the Company.	10,201 employees as on March 31, 2023.		
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 12.19%. Average increase in the remuneration of Directors and other Key Managerial Personnel is (7.64%).		

Sr. No.	Particulars	Name of Director/Key Managerial Personnel <sup>#</sup>	Designation	Disclosure
vi.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.			
	NOTES: # For Non-Executive/Independent Directors, the ratio to median remuneration and percentage increase are based on the remuneration only in the form of Commission (excluding sitting fees). ® Decrease indicated as percentage in remuneration is on account of lower perquisite value of stock incentives exercised during the year. * Anant Talaulicar - Ceased to be an Independent Director w.e.f. October 20, 2022 Dharmander Kapoor - Ceased to be CEO & MD w.e.f. November 30, 2022 Chandrasekar Thyagarajan - Ceased to be Chief Financial Officer w.e.f. February 2, 2023 Angan Guha - Appointed as CEO & MD w.e.f. December 1, 2022 Ananth Sankaranarayanan - Appointed as an Independent Director w.e.f. February 2, 2023			

For and on behalf of the Board of Directors

New Delhi  
May 8, 2023

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, 2023

#### A. Summary of Employee Stock Option Plans (“ESOPs”)/Performance Stock Units (“PSUs”)/Restricted Stock Units (“RSUs”)

The position of the existing schemes are summarized as under:

Sr. No.	Particulars	Employee Stock Option Scheme 2006 (“ESOP 2006”)		Employee Stock Option Plan 2015 (“ESOP 2015”)		Special Purpose Birlasoft Employee Stock Option Plan 2019 (“ESOP 2019”)		Birlasoft Share Incentive Plan 2019 (“SIP 2019”)		Birlasoft Share Incentive Plan 2022 (“SIP 2022”)		
		Date of Shareholder's Approval	August 28, 2006	August 19, 2015	August 29, 2018	October 3, 2019	August 3, 2022	Options	RSUs	RSUs	RSUs	
I.	<b>Details of the ESOPs/PSUs/RSUs:</b>											
1	Date of Shareholder's Approval	August 28, 2006	August 19, 2015	August 29, 2018	October 3, 2019	August 3, 2022						
2	Total Number of Options/PSUs/RSUs approved#	1,36,83,562	25,00,000	47,69,267	1,07,14,200	16,48,300	50,00,000					
3	Vesting Requirements	The Options shall vest as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40%	The Options shall vest 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 Options shall vest as follows: End of year 2: 50% End of year 3: 50%	The RSUs shall vest as follows: End of year 2: 50% End of year 3: 50%	The Vesting Criteria of PSUs shall be a combination of performance parameters (individual and/or company) and time-based vesting criteria as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40%	The RSUs shall vest as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40%				
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.	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.	The Exercise Price shall be equal to face value of shares i.e. ₹ 2/- per PSU.	The Exercise Price shall be equal to face value of shares i.e. ₹ 2/- per PSU.					
5	Maximum term of Options/PSUs/RSUs granted (years)	a. For Vesting of 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 Vesting of 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 Vesting of 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.	a. For Vesting of Options: Maximum period of 2 years from the date of grants. b. For Exercise of Options: Maximum period of 4 years from the date of vesting of options granted.	a. For Vesting of PSUs: Maximum period of 3 years from the date of grants. b. For Exercise of PSUs: Maximum period of 4 years from the date of vesting of PSUs granted.	a. For Vesting of PSUs: Maximum period of 3 years from the date of grants. b. For Exercise of PSUs: Maximum period of 4 years from the date of vesting of PSUs granted.					
6	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.										
7	Variation in terms of Options/PSUs/RSUs	Nil										
		Primary allotment to the Option/PSU/RSU holders.										

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

Sr. No.	Particulars	ESOP 2006			ESOP 2015			ESOP 2019			SIP 2019			SIP 2022		
		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 PSUs	Weighted Average Exercise Price	
II.	<b>Options/PSUs/RSUs movement during the year ended March 31, 2023:</b>															
1	Options/PSUs/RSUs outstanding at the beginning of the year	1,90,800	58.74	1,61,200	61.64	2,14,675	3.10	63,09,753	207.26	14,39,255	2.00	-	-	-	-	-
2	Options/PSUs/RSUs granted during the year	-	-	-	-	-	-	-	-	-	-	16,23,600	2.00	13,28,400	2.00	2.00
3	Options/PSUs/RSUs forfeited/ surrendered during the year	12,100	58.74	2,800	58.74	-	-	6,08,786	261.01	1,02,804	2.00	22,825	2.00	18,675	2.00	2.00
4	Options/PSUs/RSUs lapsed during the year	5,400	58.74	2,550	58.74	-	-	-	-	-	-	-	-	-	-	-
5	Options/PSUs/RSUs vested during the year	-	-	-	-	-	-	22,41,787	74.85	8,22,431	2.00	-	-	-	-	-
6	Options/PSUs/RSUs exercised during the year	98,900	58.74	56,250	58.74	1,27,691	3.10	18,91,931	66.85	11,54,843	2.00	-	-	-	-	-
7	Number of shares arising as a result of exercise of Options/PSUs/RSUs	98,900	58.74	56,250	58.74	1,27,691	3.10	18,91,931	66.85	11,54,843	2.00	-	-	-	-	-
8	Money realized by exercise of Options/PSUs/RSUs (₹), if scheme is implemented directly by the company	-	-	-	-	3,95,842	293.91	12,64,69,455	303.97	23,09,686	288.96	-	-	-	-	-
9	Loan Repaid by the Trust during the year from exercise price received	Not Applicable														
10	Options/PSUs/RSUs outstanding at the end of the year	74,400	58.74	99,600	63.43	86,984	3.10	38,09,036	268.41	1,81,608	2.00	16,00,775	2.00	13,09,725	2.00	2.00
11	Options/PSUs/RSUs exercisable at the end of the year	74,400	58.74	99,600	63.43	86,984	3.10	15,45,500	268.41	78,804	2.00	-	-	-	-	-
III.	<b>Particulars</b>	ESOP 2006			ESOP 2015			ESOP 2019			SIP 2019			SIP 2022		
	Diluted Earnings Per Share pursuant to issue of shares on exercise of Options/PSUs/RSUs calculated in accordance with INDAS 33	11.92														
	Method of Accounting	Fair Value Method in accordance with Ind-AS 102: share based payment														

Sr. No.	Particulars	ESOP 2006	ESOP 2015	ESOP 2019	SIP 2019	SIP 2022			
IV.	<b>Weighted Average Fair Value of Options/PSUs/RSSUs granted during the year ended March 31, 2023 whose:</b>								
(a)	Exercise price equals market price	-	-	-	-	-			
(b)	Exercise price is greater than market price	-	-	-	-	-			
(c)	Exercise price is less than market price	-	-	-	-	271.74			
Sr. No.	Particulars	ESOP 2006	ESOP 2015	ESOP 2019	SIP 2019	SIP 2022			
V.	The weighted average market price of Options/PSUs/RSSUs exercised during the year ended March 31, 2023	313.69	313.52	293.91	303.97	288.96			
Sr. No.	Particulars	ESOP 2006	ESOP 2015	ESOP 2019	SIP 2019	SIP 2022			
VI.	<b>Employee-wise details of Options/PSUs/RSSUs granted during the financial year 2022-23 to:</b>								
(i)	<b>Senior Managerial Personnel: None</b>								
(ii)	<b>Employees who were granted, during any one year, Options/PSUs/RSSUs amounting to 5% or more of the Options/PSUs/RSSUs granted during the year:</b>								
Sr. No.	Particulars	No. of Options Granted	Exercise Price (₹)	No. of Options Granted	Exercise Price (₹)	No. of RSUs Granted	Exercise Price (₹)	No. of RSUs Granted	
1	Angan Guha - CEO & Managing Director	-	-	-	-	10,46,100	2.00	8,55,900	2.00
(iii)	<b>Identified employees who were granted Option/PSUs/RSSUs, 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:</b>								
Sr. No.	Name of the Employee	No. of Options Granted	No. of Options Granted	No. of Options Granted	No. of Options Granted	No. of RSUs Granted	No. of PSUs Granted	No. of RSUs Granted	
		None of the employees were granted 1% or more of the issued capital of the Company at the time of grant during the year							
Sr. No.	Particulars	ESOP 2006	ESOP 2015	ESOP 2019	SIP 2019	SIP 2022	PSUs	RSUs	
VII.	<b>Method and assumptions used to estimate the fair value of Options/PSUs/RSSUs granted during the year ended March 31, 2023:</b>								
	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	Weighted Average
1	Risk Free Interest Rate	-	-	-	-	7.09%	7.09%
2	Expected Life (in years)	-	-	-	-	3.76	3.76
3	Expected Volatility	-	-	-	-	50.67%	50.67%
4	Dividend Yield	-	-	-	-	1.55%	1.55%
5	Exercise Price (₹)	-	-	-	-	2.00	2.00
6	Price of the underlying share in market at the time of the Option/PSU/RSSU grant (₹)	-	-	-	-	289.65	289.65

**Assumptions:**

The assumptions used in the model are as follows:

- a) 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.
- b) Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.
- c) 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 based on the zero-coupon yield curve for Government Securities.
- d) Exercise Price: Exercise Price of each specific grant has been considered.
- e) Time to Maturity: Time to Maturity/Expected Life of Options/PSUs/RSSUs is the period for which the Company expects the Options/PSUs/RSSUs to be live.
- f) 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, 2023
1	Employee Option Plan Expense	288.75
2	Total Liability at the end of the period	397.65

**IX. Details related to Trust:**

Consequent upon the merger of Birlasoft (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 Delhi  
May 8, 2023

Amita Birla  
Chairman  
DIN: 00837718

## Annexure 5

# 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:
  - i) "Act" means the Companies Act, 2013 and rules issued thereunder.
  - ii) "Board of Directors" or "Board", in relation to the Company, means the collective body of the directors of the Company.
  - iii) "Committee" means Nomination and Remuneration Committee of the Company, as constituted or reconstituted by the Board.
  - iv) "Company" means Birlasoft Limited.
  - v) "Director" means a Director appointed to the Board of the Company.
  - vi) "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.
  - vii) "Key Managerial Personnel" (KMP) shall have the meaning ascribed to it in the Act and the Rules made thereunder.
  - viii) "Non-Executive Directors" includes Independent Directors.

- ix) "Policy" means this Nomination and Remuneration Policy.
  - x) "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.
  - xi) "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:
  - i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
  - ii) 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.
  - iii) 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.

- c) While designing the remuneration package it should be ensured that:
  - i) 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;
  - ii) 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.
- d) 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.
- e) The Committee may consult with the Chairman of the Board as it deems appropriate.
- f) 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, positives attributes, integrity and independence.

## 4. Applicability

This policy is applicable to:

- a) Directors, including Non-Executive Directors;
- b) Key Managerial Personnel; and
- c) 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:

- a) criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
- b) 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;
- c) 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;
- d) monitoring and evaluating the application of this Policy;
- e) devising a policy on diversity of board of directors;
- f) monitoring and evaluating current remuneration structures and levels in the Company; and
- g) any other responsibility as determined by the Board.

## 7. Powers of the Committee

The Committee shall have inter-alia following powers:

- a) 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;
- b) 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;
- c) 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

- a) 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:

- a) review the performance of Non-Independent Directors and the Board as a whole; and
- b) 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:

- a) Attendance at Board meetings and Board Committee meetings;
- b) Chairmanship of the Board and Board Committees;
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- d) Guidance and support provided to senior management of the Company outside the Board meetings;
- e) Independence of behaviour and judgment; and
- f) 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 Delhi  
May 8, 2023

### 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	<b>Birlasoft Solutions Inc.</b> <b>("Birlasoft US")</b>  [Wholly Owned Subsidiary of Birlasoft Limited]	Contract for providing offshore software development and consultancy services to <b>Birlasoft US</b>	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.	- <b>Birlasoft Limited</b> will carry out the software development and consultancy work as per the requirements of <b>Birlasoft US</b> ;  - <b>Birlasoft US</b> will pay to <b>Birlasoft Limited</b> 95% of the fees that it is due to <b>Birlasoft US</b> , 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	<b>Birlasoft Inc.</b>  [Wholly Owned Subsidiary of Birlasoft Limited]	Contract for providing offshore software development and consultancy services to <b>Birlasoft Inc.</b>	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.	- <b>Birlasoft Limited</b> will carry out the software development and consultancy work as per the requirements of <b>Birlasoft Inc.</b> ;  - <b>Birlasoft Inc.</b> will pay to <b>Birlasoft Limited</b> 95% of the fees that it is due to <b>Birlasoft Inc.</b> , 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 Delhi  
May 8, 2023



**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 during their tenure	Number of meetings of CSR committee attended during the year
1	Amita Birla (Chairman)	Non-Executive Director	2	2
2	Anant Talaulicar (Member)*	Independent Director	2	2
3	Nandita Gurjar (Member)	Independent Director	2	2
4	Alka Bharucha (Member)#	Independent Director	1	1

\* Ceased to be a member on October 20, 2022

# Appointed as a member w.e.f. October 13, 2022

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. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, 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 the Company.

However, Birlasoft has voluntarily conducted an Impact Assessment (the "IA") of its Project "Shodhan", through an independent agency, to understand the qualitative and quantitative impact of the interventions undertaken, such as behavior change among farmers, machinery support, technical training and handholding, mass awareness campaigns, and participatory monitoring. The IA study aimed to provide a comprehensive understanding of the effectiveness of the Crop Residue Management Initiative and inform future decision-making processes.

The IA demonstrated a positive impact on the following aspects:

- Saving of considerable time for the farmers
- Improvement in soil quality and soil health
- Better health conditions
- Increased awareness of the negative impacts of burning
- Increase of yields
- Control of air pollution

The IA report is available on the Company's website at <https://www.birlasoft.com/community-initiatives/project-shodhan>.

5. (a) Average net profits of the Company as per Section 135(5): ₹ 3,020.65 million  
(b) Two percent of average net profits of the Company as per Section 135(5): ₹ 60.41 million  
(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL  
(d) Amount required to be set-off for the financial year, if any: NIL  
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 60.41 million
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 44.28 million  
(b) Amount spent in Administrative Overheads. ₹ 2.80 million  
(c) Amount spent on Impact Assessment, if applicable. ₹ 0.97 million  
(d) Total amount spent for the Financial Year [(a)+(b)+(c)] ₹ 48.05 million  
(e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)		
	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)	Date of transfer
48.05	12.36	April 26, 2022	NIL
			N.A.

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

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ million)	Balance amount in Unspent CSR Account under Section 135(6) (in ₹ million)	Amount spent in the reporting financial year (in ₹ million)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Deficiency, if any
					Amount (in ₹ million)	Date of Transfer	
1.	FY 2019-20	NIL	NIL	NIL	N.A.	N.A.	N.A.
2.	FY 2020-21	NIL	NIL	NIL	N.A.	N.A.	N.A.
3.	FY 2021-22	20.00	8.00	12.00	N.A.	N.A.	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. 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 FY 2022-23, the Company allocated ₹ 12.36 million to an ongoing project on 'Mental Health Program' in Rural Communities. 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 8, 2023

Amita Birla  
**Chairman of CSR Committee**  
Place: New Delhi  
DIN: 00837718

Angan Guha  
**CEO & Managing Director**  
Place: Pune  
DIN: 09791436

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 17-year-old HVAC system of SDB-1 building at its Pune facility, with new inverter-based energy efficient VRF system which will reduce approx. 10% power consumption of SDB-1 building considering full occupancy.
- The Company has also enhanced the old conventional sewage treatment plant with new technology CAMUS-SBT system which gives better quality of water and there is a reduction in power consumption of 30% as compared to the previous STP power consumption considering full occupancy.

**Green Initiatives**

- For optimum utilization of water, the Company has installed a new irrigation system.
- The Company distributed approx. 200 saplings to its employees on the World Environment Day.
- The Company has also planted approx. 80 saplings in its premises on India's Independence Day.

**Occupational Health and Safety Assessment Series (OHSAS)**

**Insurance Policies:**

Birlasoft has implemented three insurance policies, Group Medclaim Insurance Policy ("GMC"), Group Personal Accident Policy ("GPA"), and Group Term Life Insurance Policy ("GTL"), and to ensure health and fitness of the employees, they are covered under all of these policies. In the event, if a worker or a member of their family needs hospitalization due to a sickness or Inpatient Department treatment, the GMC offers insurance coverage. The option of policy top-up is also offered, allowing employees to purchase additional coverage up to ₹ 10 lakhs sum Insured (upon payment) on top of the base cover. The GMC policy also includes coverage for home quarantine. All personnel are covered by insurance via the GPA in the event of an accident occurring during or after work hours. In a similar vein, GTL offers insurance coverage to its employees in the event of unfortunate death.

Through its top healthcare program, BCares, your Company ensures the wellbeing and a healthy lifestyle for both its employees and their families. Its mission is to promote, cultivate, and uphold the employees' overall well-being. This program is based on five pillars of wellness: financial security, social wellbeing, and workplace wellbeing, mental and physical wellbeing.

Each employee is encouraged to maintain a healthy and disease-free lifestyle under physical wellness through the Employee

Assistance Program ("EAP"). Employees and their families are encouraged to maintain good mental health through group discussions and one-on-one therapy sessions aided by the program. Birlasoft also offers assistance and guidance on investment planning and financial compliance, as well as support for managing the present and foreseeable economic environment, to help people, reach their financial goals and attain stability. Social wellbeing encompasses several programs, such as talent tribes, etc. that offer a venue for meeting like-minded individuals, pursuing interests, and participating in social development activities. Birlasoft takes all necessary steps to ensure worker wellbeing.

**Wellness activities**

Wellness initiatives were focused on holistic well-being and were conducted virtually to ensure coverage of all locations:

- Employees had the option of claiming the costs of hospitalization and home quarantine, and they were given interest-free wage advances.
- Facility of 7 days paid leave to the employee suffering from COVID-19.
- Oxygen concentrators at each center to meet the emergency.
- Telemedicine consultation for COVID-19.
- Webinars and workshops on the COVID-19 outbreak's impact on employee.
- Connect with employees through regular communication.
- Talks on exercise and ergonomics during work from home.
- Provision of masks and sanitizers to all associates in offices.
- In house sterilization of all cabs.
- Sanitizers positioned to assure safety at all important locations, such as the entrance and departure of the premises.
- All personnel entering the building, including employees and visitors, have their temperatures checked using infrared thermometers.
- Regular cleaning supplies and chemicals are replaced with COVID-19-specific disinfectants.
- Sessions on heartfulness and mindfulness for a healthy mind and spirit.
- Workshops on financial planning for women for International Women's Day 2023.
- Employee assistance program for 24\*7 counselling services.

- Occupational health center.
- Empaneled general physician.
- Cancer awareness session.
- Provision of health food counters in all locations.
- Discounted medical tests from recognized Labs.
- Discounted health checkup such as Pap Smear tests were made available to female employees/family members.
- Sanitary Napkins and disposal bins available in all the restrooms.
- To obtain online records, the check-in and check-out of security escorts for female employees has been automated.
- Specific programs for managing diabetes were conducted.
- Musical live event organized for employees in office as an initiative under Back-to-Office.
- Mindful session, "Becoming a Resilient you" in association with the EAP was organized for all employees in virtual format.
- Under physical well-being, session on management of joint pains, cardiac health, hormonal imbalance and PCOD along with Zumba were organized.
- Yoga Session for third party employees.
- Online session on terrace gardening and usage of food waste as a composting for the plants.

**Technology Absorption**

*Our Digital Transformation Strategy is to Build Resilient, Scalable & Sustainable Technology Foundation for Birlasoft. A transformation strategy which drives innovation and growth.*

Cloud migration has been integral part of Birlasoft's digital transformation journey and our key principles for the successful Cloud Strategy is to make Cloud an enabler for growth and innovation, managing operations at scale, augmenting Cloud Foundation services across process and technology, built-in intelligent services for workloads and Secure by Design for entire eco-system.

**Bheem**

Our key program "Bheem" was a part of overall Transformation Strategy which includes the following key projects:

**SAP on Rise**

Migration of on-premises S4HANA to SAP RISE (Private Cloud Edition S4HANA version 2021) was completed successfully. SAP RISE has provided scalability and managed security. Along with SAP RISE, Birlasoft has also migrated on-premises SAP interface layer (SAP Process Orchestration) to on-cloud SAP integration platform (SAP Integration Suite) resulting in faster deployments and enhanced security.

**Azure Cloud Migration**

Birlasoft has also embarked on journey of moving its major applications workload to Cloud as a part of digital transformation initiatives and completed Azure migration in FY23. Leveraging Cloud's end-to end platform to accelerate our developer productivity, simplify operations, and build security and compliance into our software delivery process and Infra management. Cloud will help in DevOps, where Birlasoft aims to increase software delivery velocity, improve service reliability and build shared ownership among software stakeholders. Cloud will also help accelerate application design and development with an API-first approach. Application modernization is another objective where Birlasoft decided to leverage Kubernetes for deployment and orchestration framework for containerized applications. Birlasoft has a farm of compute resources, Kubernetes will help in containerization and performs replication, scaling, failover and other management tasks necessary to run enterprise applications reliably with efficient resource utilization.

**Few of the benefits which Birlasoft has put in their objective while taking Multi cloud strategy.**

Cost: Hybrid cloud will be helping Birlasoft in getting cost advantages where total cost of ownership running identified applications will be lower for years to come. Rather than purchasing expensive systems and equipment for our business costs could be reduced by using the resources of our cloud computing service provider as and when this is needed which will help optimization. We will also get advantage of optimized manpower for managing the complete cloud environment. Another advantage will be lesser energy consumption and again costs may be reduced.

Scalability/Agility/Flexibility: Cloud will give us higher scalability/agility/flexibility advantage where basis need we can scale up our environment in very short period depending on business ramp up or ramp down up.

Business continuity: Business continuity is a very key aspect for IT/ITES business. Protecting customers interest, continuity for customer support and our internal business is key and protecting external/internal customer data is a critical aspect whether we experience a natural disaster, power failure or other crisis, hence, how we sustain is very important. Here cloud helps in big way in minimizing any downtime and loss of productivity by ensuring business continuity with their highly available environment.

Flexibility of work practices: Cloud computing allows employees to be more flexible in their work practices. In today's scenario when we have hybrid way of working cloud will help in meeting our objectives.

Security: Managing very high security is one of the a key objectives for Birlasoft and Cloud service providers offer highly secure environment. Most enterprises today place security as a top priority and enabler, regardless of whether their business goals are to grow and transform or increase the agility and quality of service delivery of their organizations. Similarly, Birlasoft has identified that migration and adoption of the cloud is key to accomplish the security imperative.

**Application Modernization:**

Cloud will help Birlasoft in modernization of few of their application environments to keep pace with the latest (or future) technology by leveraging current stack of clouds, which is always evolving, which has key drivers of modernization and include new security best practices, scalability requirements, and advancements in AI, virtualization, IoT, containers. Birlasoft used PCF environment which was converted into Kubernetes after cloud migration.

**Kubernetes Adoption**

Birlasoft has successfully re-platformed the 200+ applications developed on on-premises cloud foundry platform to Azure using Azure Kubernetes Services. It has resulted in accelerated development of cloud-native apps. It has also simplified the configuration and management of microservices-based apps.

**Network Transformation: SD-WAN**

Birlasoft embarked on the journey of implementing SD-WAN considering the future roadmap of technology, security, flexibility and cost effectiveness. As businesses today try to accommodate the growing demands of working in a post-pandemic world, IT teams have been tasked with finding more flexible networking solutions. Traditional models can't keep up with the high volumes of traffic resulting from cloud adoption, and network management has become more complex with the addition of remote workforces. Hence Birlasoft started its SD-WAN journey in FY 23 and implemented it successfully.

**Benefits of SD-WAN**

**Scalability:** SD-WAN gives scalability options which helps Birlasoft team to scale up or scale down its network depending on the needs. For example, if there are large number of employees working remotely, the capacity of network can be increased by adding new PoPs. To reduce costs, the capacity of network can be decreased.

**Performance:** With SD-WAN, Birlasoft will get better performance in terms of speed and reliability. The network architecture of SD-WAN ensures that the network resources are shared among all users. SD-WAN uses a combination of technologies like Software Defined Networking (SDN), Virtual Private Networks (VPN), and Network Functions Virtualization (NFV).

**Flexibility:** SD-WAN is an easily implemented technology that allows Birlasoft to with additional flexibility on WAN perspective. As our business requirements are dynamic, hence basis customer requirements more bandwidth can be added to network when needed and also zero-touch remote provisioned connections can be provided.

**Cost:** SD-WAN offers several cost benefits over traditional WANs. SD-WAN limits hardware and personnel requirements for the network. With centralized control and virtualized edges in an SD-WAN, there is less need for IT teams to configure and maintain additional hardware at the branches. SD-WAN also provides cost benefits by limiting the need for costly network connections. In particular, using dynamic path selection, SD-WAN optimizes traffic distribution between more costly MPLS connections

and lower cost broadband connections. As a result, SD-WAN is cheaper than traditional WANs that rely exclusively on MPLS.

**Security:** SD-WAN provides enhanced security, including encryption, intrusion prevention, firewalls, IDS/IPS, and DNS filtering. These features help protect against threats from hackers and other malicious actors.

**Business Agility:** Before SD-WAN, companies had to manually configure each site by hand. Now, SD-WAN makes it easy to add more bandwidth to remote offices. This means you can easily scale up or down as business grows or shrinks.

**Program Eagle for Business Insights: Data Lake**

To provide deep business insights across the processes and across the applications, Birlasoft has embarked on setting up the Data Lake. In phase one, the applications in 'order to cash' process are connected to Data Lake. The end user data visualizations and analytics are managed using Power-BI and Lumenore (Low code – no code analytics platform). Data Lake initiative has removed the barriers of siloed data which is captured in individual applications and is providing actionable business insights across the processes & applications.

**Talent Demand Management**

Birlasoft subscribed to and implemented IntelliPrism SaaS solution to address demand management of technical talent. Intelligent capture of demand and multi-skill-adjacency-based search is driving AI-powered demand fulfilment. It marks the start of journey to digital first, agile talent supply chain.

**Sustainability****Carbon Footprint Removal**

Reducing unnecessary energy inefficiencies is a vital step to minimising carbon footprint for any organization. Birlasoft also works continuously to find inefficiencies and removing those. The sustainability of an organization depends on the identification of wastefulness and finding solutions that address these issues at every level of the business. With Birlasoft journey to cloud, there is a lesser carbon footprint as the cloud-based systems are more environmentally friendly. As Birlasoft's major workload is moving to cloud, a lot of infrastructure which is physical will be moving to virtual as cloud-based infrastructures involve virtual services cutting down on physical products and hardware. Therefore, there is a reduction in paper waste and computer emitted emissions. This improves the efficiency of an organization.

Further, in FY23 there were network and end user devices which were going end of life hence, Birlasoft took journey to Tech refresh its Network Core/edge environment by implementing new energy efficient switches and refreshing the old edge switches compatible with Software Defined Network capability and also replacing end user machines with low energy consumption machines. Consolidation of servers farms to Hyper Converged Infra (HCI) environment helped in reducing the carbon footprint as newly deployed Infrastructure components are highly efficient. Objectives of implementing HCI was to replace individual servers where storage, compute etc. are in single

box with software capabilities. This led to a smaller footprint in the data center, reduced power consumption, cooling and less carbon emissions. So, overall multiple initiatives whether Cloud, network transformation, technology refresh by deploying highly efficient Infra components helped reducing energy consumption and carbon emission by more than 40%.

**E-waste**

Being an IT company, Birlasoft has been keeping pace with latest technology trends in alignment with technology roadmap and hence we keep a close track on all electronic equipment fitment from technology as well as compliance perspective. Track is also kept of equipment which have completed the useful life/or have reached end of life. In FY23, Birlasoft identified equipment which were either at the end of life or were not supporting

Birlasoft technology requirements. Majorly this list included laptops, computers, servers, network equipment, monitors, etc. which were considered for e-waste disposal as per defined guidelines. Birlasoft's e-waste management procedure is the defining guidelines for handling all such types of e-waste and complying with Governments and Maharashtra Pollution Control Board (MPCB) guidelines. Disposal of generated e-waste is being done through government authorized handlers/recyclers.

**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 ₹ 21,631.05 million (previous year ₹ 17,880.89 million) and foreign exchange outgo (including imports) has been ₹ 253.40 million (previous year ₹ 259.08 million).

For and on behalf of the Board of Directors

New Delhi  
May 8, 2023

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 and with responsibility towards the shareholders in making accurate, adequate and timely disclosures of relevant information. It includes the processes through which the 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 achieving the desired growth for 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 an adequate mechanism to address their grievances, if any. 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 while preparing the financial statements, taking into account the interest of all the stakeholders and the annual audit is conducted by an independent and qualified auditor. Investor updates are uploaded on the Company's website on a quarterly basis and 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 such circumstances arise.

Our Board periodically reviews the corporate's strategies, annual budget 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 the 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, 2023, 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 are detailed in Table 1.

**Table 1: The composition of the Board and the number of Directorships held by them as on March 31, 2023**

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**	
						Member	Chairperson
1.	Amita Birla (DIN: 00837718)	Non-Executive, Non-Independent Director - Chairman related to Promoter	(Spouse of Chandrakant Birla)	4	1. Orient Cement Limited - Non-Executive, Non-Independent Director	1	Nil
2.	Chandrakant Birla (DIN: 00118473)	Non-Executive, Non-Independent Director	(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 3. Orient Electric Limited - Non-Executive, Non-Independent Director - Chairman 4. HIL Limited - Non-Executive, Non-Independent Director - Chairman	Nil	Nil
3.	Ashok Kumar Barat (DIN: 00492930)	Non-Executive, Independent Director	None	5	1. Bata India Limited - Non-Executive, Independent Director 2. Huhtamaki India Limited - Non-Executive, Independent Director 3. Alembic Pharmaceuticals Limited - Non-Executive, Independent Director	5	4
4.	Alka Bharucha (DIN: 00114067)	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
5.	Nandita Gurjar (DIN: 01318683)	Non-Executive, Independent Director	None	3	1. Galaxy Surfactants Limited - Non-Executive, Independent Director 2. Yes Bank Limited - Non-Executive, Independent Director	3	Nil
6.	Ananth Sankaranarayanan (DIN: 07527676)	Non-Executive, Independent Director	None	2	1. Marico Limited - Non-Executive, Independent Director	1	Nil
7.	Angan Guha (DIN: 09791436)	Executive Director (CEO & Managing Director)	None	1	Nil	1	Nil

\*includes 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.

The Board composition is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.

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

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

- a) Legal, finance & accountancy,
- b) IT business operations,
- c) Human resources & stakeholder engagement,
- d) Sales & delivery,

- e) Risk management,
- f) Knowledge of the industry,
- g) Leadership,
- h) Board service & governance.

The current Directors possess the above-mentioned skill sets and guide the management in the 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.

**Table 2: Key Board Skills/Expertise/Competencies**

Director	Area of Skills/Expertise/Competencies							
	Legal/Finance/Accountancy	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	✓				✓		✓	✓
Alka Bharucha	✓		✓		✓		✓	✓
Nandita Gurjar		✓	✓		✓	✓	✓	✓
Ananth Sankaranarayanan	✓				✓	✓	✓	✓
Angan Guha	✓	✓	✓	✓	✓	✓	✓	✓

**C. Board Familiarization Program**

At the time of 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, new Board members were provided a deep and thorough insight of the Company through presentations. At every Board meeting, a detailed presentation is made which includes information on projects, market share, financial parameters, working capital management, fund flows, change in senior management, major litigations, compliances, etc. 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 planning 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 the 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 tenures. Anant Talaulicar completed his second term as an Independent Director of the Company on October 20, 2022 and consequently ceased to be a Director of the Company w.e.f. the end of business hours of the said date.

**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:

- a) Attendance at Board and Committee meetings;
- b) Chairmanship of the Board and Committees;
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- d) Guidance and support provided to senior management of the Company outside the Board meetings;
- e) 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 2022-23, a separate meeting of the Independent Directors of the Company was held on March 9, 2023.

**F. Responsibilities of the Chairman and other Directors**

The authorities and responsibilities of each of the 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 in maintaining high-quality governance of the organization.

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

**G. 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.

**H. Non-Executive Directors' shareholding**

As on March 31, 2023, 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.

**I. 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 offices situated in the National Capital Region. Some of the meetings are also held over video-conference, 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, six Board meetings were held on the dates below:

- a) May 23, 2022;
- b) August 3, 2022;
- c) October 21, 2022;
- d) November 4, 2022;
- e) February 2, 2023;
- f) March 30, 2023.

**Table 3: Attendance of Directors for Board meetings held during the financial year 2022-23**

Sr. No.	Name of the Director	No. of Board meetings attended by the Directors during FY 2022-23 (Total 6 meetings held)	Attendance at the last AGM
1	Amita Birla – Chairman	6	Yes
2	Chandrakant Birla	6	Yes
3	Ashok Kumar Barat	6	Yes
4	Anant Talaulicar*	2	Yes
5	Alka Bharucha	6	Yes
6	Nandita Gurjar	6	Yes
7	Ananth Sankaranarayanan#	1	NA
8	Dharmander Kapoor®	3	Yes
9	Angan Guha^	2	NA

\*Anant Talaulicar ceased to be a Director, upon completion of his second term as an Independent Director of the Company, on October 20, 2022.

#Ananth Sankaranarayanan was appointed as an Independent Director, for a term of five years, w.e.f. February 2, 2023.

®Dharmander Kapoor resigned as Director and from the post of CEO & MD of the Company on November 30, 2022.

^Angan Guha was appointed as the CEO & MD of the Company, for a term of three years, w.e.f. December 1, 2022.

#### J. 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/Committees. 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.

#### K. Compliance management

A robust compliance management process has been set up 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 reporting compliances to the Board. The Company also has in place automated legal compliance management tools, the application of which has been extended to cover various locations, branches and subsidiaries.

Based on reports from the tools and certificates from all departments, a consolidated compliance certificate is placed before the Board in its quarterly 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 August 3, 2022.

#### A. Audit Committee

##### Composition

The Committee consists of four Independent Directors, as on March 31, 2023. Ashok Kumar Barat is the Chairman of this Committee, and Alka Bharucha, Nandita Gurjar and Ananth Sankaranarayanan are the other members. Further, 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:

- oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;

- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- 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;
- to review the functioning of the whistle blower mechanism;
- 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 five times during the financial year 2022-23 on May 23, 2022, August 2 & 3, 2022, October 20 & 21, 2022, February 2, 2023 and March 30, 2023. The maximum gap between any two meetings was less than one hundred and twenty days. The details of attendance are given in the Table 4 below:

**Table 4: Audit Committee - attendance**

Sr. No.	Name of the Committee Member	No. of meetings attended (Total 5 meetings held)
1	Ashok Kumar Barat – Chairman	5
2	Anant Talaulicar*	3
3	Alka Bharucha	5
4	Nandita Gurjar	5
5	Ananth Sankaranarayanan#	NA

\*Ceased to be a Member on October 20, 2022.

#Appointed as a Member w.e.f. March 30, 2023.

**B. Nomination and Remuneration Committee**

**Composition**

The NRC consists of two Independent Directors and one Non-Executive Director as on March 31, 2023. Alka Bharucha is the Chairman and Amita Birla & 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 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 independent directors and the board of directors.

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 five times during the year – May 21, 2022, October 20, 2022, November 4, 2022, February 1, 2023 and March 30, 2023.

The details of attendance are given in Table 5 below:

**Table 5: Nomination and Remuneration Committee - attendance**

Sr. No.	Name of the Committee Member	No. of meetings attended (Total 5 meetings held)
1	Anant Talaulicar*	2
2	Alka Bharucha – Chairperson#	4
3	Amita Birla	5
4	Nandita Gurjar	5

\*Ceased to be a Chairman and Member on October 20, 2022.

#Appointed as a Member w.e.f. October 13, 2022 and as the Chairperson of the Committee w.e.f. October 21, 2022.

**C. Stakeholders Relationship Committee**

**Composition**

The Board has formed a SRC to look into various aspects concerning interest of shareholders. As on March 31, 2023, the Committee is chaired by Alka Bharucha - Non-Executive, Independent Director, and Nandita Gurjar & Angan Guha 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](mailto:grievances@birlasoft.com) for redressing shareholders' grievances.

During the year, one meeting of the SRC was held on October 21, 2022. The details of attendance are given in Table 6.

**Table 6: Stakeholders Relationship Committee - attendance**

Sr. No.	Name of the Committee Member	No. of meetings attended (Total 1 meeting held)
1	Alka Bharucha – Chairperson	1
2	Nandita Gurjar	1
3	Dharmander Kapoor*	1
4	Angan Guha#	NA

\*Ceased to be a Member on November 30, 2022.

#Appointed as a Member w.e.f. December 5, 2022.

**Table 7: Details of complaints from shareholders during FY 2022-23**

No. of complaints received	No. of complaints resolved	No. of pending complaints
6	6	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 through a properly defined framework.

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

**Composition**

As on March 31, 2023, the members of the Committee are Ashok Kumar Barat, Alka Bharucha, Nandita Gurjar and Ananth Sankaranarayanan.

**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:

1. formulate a detailed risk management policy which shall include:
  - a) 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;
  - b) measures for risk mitigation including systems and processes for internal control of identified risks;
  - c) business continuity plan;
2. ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. 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 thrice during the year on June 21, 2022, October 20, 2022 and March 30, 2023. The gap between any two RMC Meetings did not exceed 180 days. The details of attendance are given in Table 8.

**Table 8: Risk Management Committee - attendance**

Sr. No.	Name of the Committee Member	No. of meetings attended (Total 3 meetings held)
1	Ashok Kumar Barat	3
2	Anant Talaulicar*	2
3	Alka Bharucha	3
4	Nandita Gurjar	3
5	Ananth Sankaranarayanan#	1

\*Ceased to be a Member on October 20, 2022.

#Appointed as a Member w.e.f. March 30, 2023.

**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**

As on March 31, 2023, Amita Birla is the Chairman of the Committee. Nandita Gurjar and Alka Bharucha 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:

1. formulation and recommendation of CSR Policy to the Board;
2. formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR Policy;
3. identification of activities to be undertaken by the Company;

4. recommendation of amount of expenditure on CSR activities;
5. monitor the CSR Policy from time to time.

**Meetings**

The Committee met twice during the year on May 21, 2022 and October 20, 2022. The details of attendance are given in Table 9.

**Table 9: Corporate Social Responsibility Committee - attendance**

Sr. No.	Name of the Committee Member	No. of meetings attended (Total 2 meetings held)
1	Amita Birla – Chairman	2
2	Nandita Gurjar	2
3	Anant Talaulicar*	2
4	Alka Bharucha#	1

\*Ceased to be a Member on October 20, 2022.

#Appointed as a Member w.e.f. October 13, 2022.

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

**Table 10: Remuneration paid to Executive Directors in the financial year 2022-23**

(Amount in ₹ million)		
Name of Director/ Remuneration Details	Dharmander Kapoor** CEO & Managing Director	Angan Guha#5 CEO & Managing Director
Salary	24.89	2.66
Employer's contribution to Provident Fund ("PF")	1.14	0.12
Leave Encashment	2.27	Nil
Variable Performance Incentive	12.47	Nil
Long Term Incentive	8.11	Nil

(Amount in ₹ million)		
Name of Director/ Remuneration Details	Dharmander Kapoor** CEO & Managing Director	Angan Guha#5 CEO & Managing Director
Perquisites	365.03	Nil
Others	0.28	Nil
Notice Period	NA	6 months
Severance Fees	4.89	Nil
<b>Total</b>	<b>419.08</b>	<b>2.78</b>

\*Resigned as Director and from the post of CEO & MD of the Company on November 30, 2022.

#Appointed as CEO & MD effective December 1, 2022.

5 a) In addition, Angan Guha was paid a remuneration of USD 1.34 million from Birlasoft Solutions Inc., a wholly owned subsidiary of the Company, in his capacity of the CEO & MD of Birlasoft Solutions Inc. The overall compensation is in accordance with the approval given by the shareholders of the Company.

5 b) Angan Guha was granted 855,900 tenure linked Restricted Stock Units ("RSUs") and 1,046,100 performance-linked Performance Stock Units ("PSUs") which will vest over a period of 3 (three) years (30%/30%/40%) under the Birlasoft Share Incentive Plan 2022. The PSUs & RSUs were granted at par value. The exercise period shall be maximum 4 years from the date of vesting of these units.

%During the year, Dharmander Kapoor was not granted any stock options and/or Restricted Stock Units. He was allotted 1,424,774 shares under the Special Purpose Birlasoft - Employee Stock Option Plan 2019 and Birlasoft Share Incentive Plan 2019 of the Company.

**Notes:**

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

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 ₹ 15.75 million (previous year ₹ 16.50 million) to the Non-Executive Directors of the Company for the financial year 2022-23. No other remuneration was paid to the Non-Executive Directors, except for sitting fees for the meetings attended by them. The details of remuneration to the Non-



Executive Directors for the financial year 2022-23 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	0.95
Chandrakant Birla	2.00	0.60
Ashok Kumar Barat	3.00	1.25
Anant Talaulicar	1.40	0.80
Alka Bharucha	2.00	1.55
Nandita Gurjar	2.00	1.65
Ananth Sankaranarayanan	0.35	0.15
<b>Total</b>	<b>15.75</b>	<b>6.95</b>

**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 2022-23 is ₹ 15.75 million. This is distributed among the Non-Executive Directors based on their chairmanship/membership of Board committees, duration of their directorship during the year and for their general contribution to the Company outside board/committee meetings.	

No stock options have been granted to any of the Non-Executive Directors and/or Independent Directors during the financial year 2022-23 and none of the Non-Executive Directors received remuneration amounting to 50% of the total remuneration paid to Non-Executive Directors during the year ended March 31, 2023.

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.

#### 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 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 (2020-21)	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 Dharminder 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.

Date of the meeting (year)	Venue of the meeting	Time of the meeting	Special Resolution Passed
August 3, 2022 (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.	1) Increase in the managerial remuneration limit payable to Dharminder 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. 2) Approval for Birlasoft Share Incentive Plan-2022 for the employees of the Company. 3) Extension of the Birlasoft Share Incentive Plan-2022 to the employees of the subsidiary company(ies) of the Company.

##### B. Special Resolution through Postal Ballot

During the year, the Company has passed special resolutions through Postal Ballot, details of which are given below:

Sr. No.	Description	Details of E-voting Period	Last date of E-voting (Approval Date)	Scrutinizer	Voting Pattern
1	Approval for the Buyback of Equity Shares of the Company	June 1, 2022 to June 30, 2022	June 30, 2022	Mr. Jayavant Bhavne - Proprietor of J. B. Bhavne & Co. (Membership No. – F4266), Company Secretaries	In Favour – 99.8764% Against – 0.1236%
2	Appointment of Mr. Ananth Sankaranarayanan as an Independent Director of the Company for a term of 5 (five) years	February 22, 2023 to March 23, 2023	March 23, 2023	Mr. Jayavant Bhavne - Proprietor of J. B. Bhavne & Co. (Membership No. – F4266), Company Secretaries	In Favour – 99.9926% Against – 0.0074%

All these resolutions were passed with requisite majority.

##### Procedure for Postal Ballot

The postal ballots were carried out as per the provisions of the Act, read with the Rules framed thereunder and in line with the Circulars 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. The Notice of Postal Ballot was sent to Members only in electronic form to the e-mail addresses registered with their Depository Participants or the Company’s Registrar & Transfer Agent. The Company made arrangements for those Members who did not register their email address to get the same registered by following the procedure prescribed in the Notice. A notice was also published in the newspapers for the information of the Members. Voting rights were reckoned on the equity shares held by the Members as on the Cut-off date. The Company appointed a Scrutinizer for

conducting the postal ballot process in a fair and transparent manner. He submitted his report to the Chairman which was submitted to the Stock Exchanges. The resolutions which were passed by the requisite majority, were deemed to have been passed on the last date specified for e-voting.

Details of special resolution proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through postal ballot.

##### 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 25, 2022	Audited consolidated financial results for the quarter and year ended March 31, 2022.	The Financial Express, Indian Express & Loksatta
August 4, 2022	Unaudited consolidated financial results for the quarter ended June 30, 2022.	The Financial Express, Indian Express & Loksatta
October 22, 2022	Unaudited consolidated financial results for the quarter and half year ended September 30, 2022.	The Financial Express, Indian Express & Loksatta
February 3, 2023	Unaudited consolidated financial results for the quarter and nine months ended December 31, 2022.	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 recording & 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 for claiming unclaimed & unpaid dividend and unclaimed shares. Members were also reminded on several instances to dematerialize their shares/ update their PAN, Bank Account details, Nomination and other KYC details.

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](mailto: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](http://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** Thursday, July 27, 2023
  - ii. Time** 02:30 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 14, 2023
- 6. Cut-off Date for:**
  - i. Remote e-voting** Thursday, July 20, 2023
  - ii. Attending AGM through VC/OAVM** Thursday, July 20, 2023
- 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 21, 2022  
  
Record Date: November 2, 2022  
  
Payment Date: November 11, 2022
- 9. Financial Year :** April 1, 2022 - March 31, 2023
- 10. Financial Calendar for 2023-24:**

**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:**

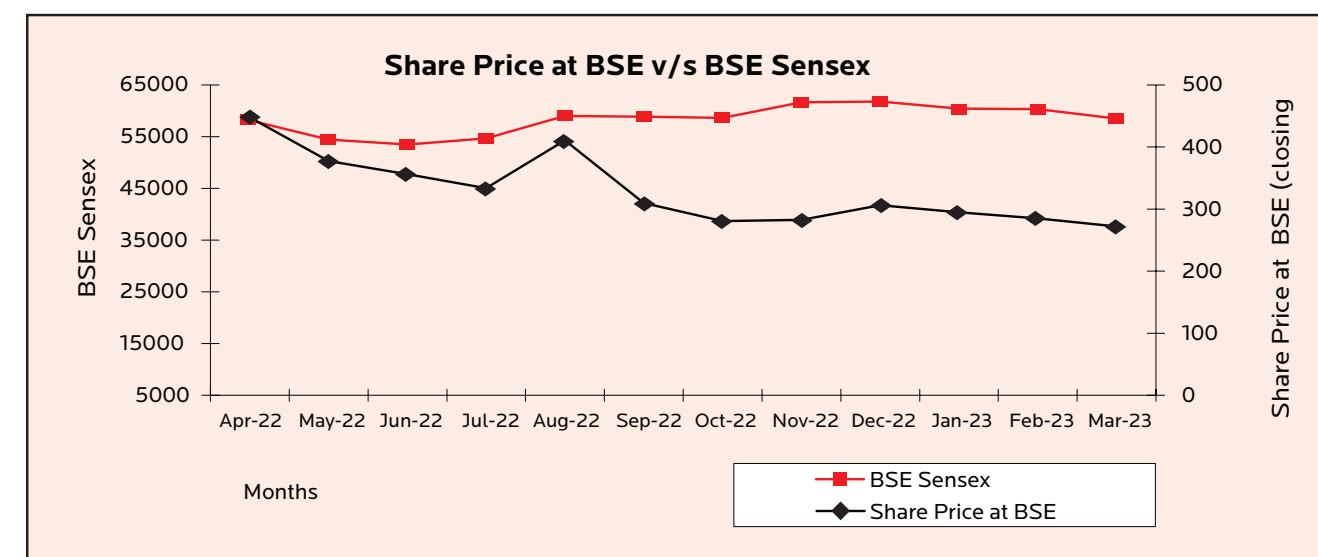
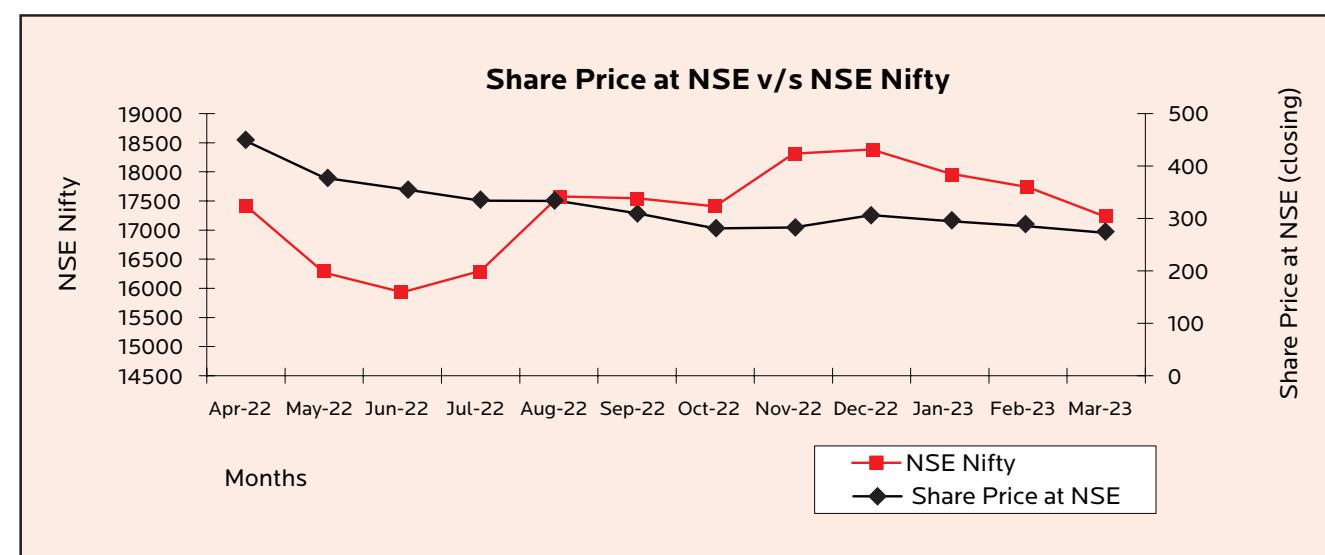
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.  NSE Code: BSOFT
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.  BSE Code: 532400
ISIN of the Company	INE836A01035

The Company has paid the Annual Listing Fee for the financial year 2023-24 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'22	501.60	405.10	447.64	70,126,013	501.65	405.20	447.59	2,986,136	73,112,149
May'22	419.10	338.25	377.50	48,555,882	418.85	336.55	377.49	2,619,066	51,174,948
Jun'22	390.50	316.45	356.16	42,891,650	390.30	316.35	356.09	1,815,664	44,707,314
Jul'22	357.55	306.80	333.63	55,644,815	357.40	306.60	333.59	2,198,676	57,843,491
Aug'22	354.95	306.15	333.16	47,322,902	441.00	390.00	410.55	3,492,268	50,815,170
Sep'22	342.00	277.85	309.94	51,598,470	341.75	278.00	309.94	3,334,072	54,932,542
Oct'22	298.40	262.20	280.73	38,880,640	298.40	262.30	280.74	3,081,704	41,962,344
Nov'22	307.05	260.55	282.75	51,760,101	306.95	262.55	282.73	3,332,129	55,092,230
Dec'22	334.70	277.75	306.42	65,432,447	334.80	278.00	306.38	3,531,121	68,963,568
Jan'23	312.60	282.75	295.03	39,605,663	312.50	282.75	295.00	2,394,467	42,000,130
Feb'23	305.75	250.25	285.05	52,892,615	305.75	250.35	285.08	3,333,978	56,226,593
Mar'23	294.00	250.50	272.19	29,638,549	293.75	250.35	272.20	1,961,596	31,600,145

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



**14. Suspension of Trading:**

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

**15. Registrar & Transfer Agent:**

Link Intime India Private Limited.

Registered office: C-101, 1<sup>st</sup> 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](mailto: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

**18. Distribution Schedule as on March 31, 2023:**

Quantity of shares From - To	Shareholders		Total no. of shares	%
	Number	%		
1 - 5,000	387,746	99.68	47,801,042	17.39
5,001 - 10,000	632	0.16	4,554,744	1.66
10,001 - 20,000	257	0.07	3,621,523	1.32
20,001 - 30,000	99	0.03	2,421,677	0.88
30,001 - 40,000	44	0.01	1,532,137	0.55
40,001 - 50,000	32	0.01	1,453,387	0.53
50,001 - 100,000	60	0.01	4,309,887	1.57
100,001 & above	127	0.03	209,176,150	76.10
<b>Total</b>	<b>388,997</b>	<b>100.00</b>	<b>274,870,547</b>	<b>100.00</b>

transposition, etc. A communication to this effect was sent to the shareholders.

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, 2023:**

Category	No. of shares held	% of total share capital
<b>Promoters</b>	<b>112,905,785</b>	<b>41.08</b>
<b>Public</b>	<b>161,753,162</b>	<b>58.85</b>
Mutual Funds	54,679,622	19.89
Foreign Portfolio Investors	31,538,468	11.47
Bodies Corporate	4,221,844	1.54
Non-Resident Indians	4,971,066	1.81
Others	66,342,162	24.14
<b>Non-Promoter - Non-Public</b>	<b>211,600</b>	<b>0.08</b>
<b>TOTAL</b>	<b>274,870,547</b>	<b>100.00</b>

**19. Dematerialization of shares and liquidity:**

As on March 31, 2023, 99.72% of the total issued share capital was held in electronic form with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

**20. Reconciliation of Share Capital:**

As stipulated by the Securities and Exchange Board of India ("SEBI"), a Practicing 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.

**21. Details of Dividend in the Unpaid/Unclaimed Dividend Accounts as on March 31, 2023:**

Financial Year	Date of completion of 7 years*	Due date for transfer of shares and amount to IEPF
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
2021-22	September 5, 2029	October 4, 2029
2022-23 (Interim)	November 23, 2029	December 22, 2029

\*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 2015-16, the tentative corresponding number of shares liable to be transferred to the IEPF Authority are 16,212 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 ₹ 1,772,457/- being the unclaimed dividend pertaining to the financial year 2014-15 to the IEPF. Further, 5,039 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 & 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 2022-23, the Company has managed foreign exchange risk and hedging to the extent necessary. The global economic and geopolitical 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 future volatility is expected due to the conflict in eastern Europe region and recessionary trends in Americas and other geographies. 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 receivable from its wholly owned subsidiaries and end customers.

The details of foreign currency exposures 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](mailto:pune@linkintime.co.in).

Shareholders can also contact Sneha Padve – Company Secretary and Compliance Officer, Phone: +91-20-66525010, Fax: +91-20-66525001, E-mail: [sneha.padve@birlasoft.com](mailto:sneha.padve@birlasoft.com), for any further assistance.

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

**VI. Other Disclosures****28. 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, 2023. 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.

**29. 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.

**30. Vigil Mechanism/Whistle Blower Policy:**

The Company has adopted a Whistleblower Policy for global enforcement of its COBEC (Code of Business Ethics and Conduct) Policy. It encourages all its stakeholders to communicate and raise any behavior or practice, they may be aware of and/or suspect to be unethical, illegal, or otherwise inappropriate and harmful to the Company. The COBEC Policy is built on the principle of "Trust" standing on four pillars – Commitment to Ethical Business Standards / Workplace / Stakeholders / Company Assets and Information. The Whistle Blower Policy has robust mechanisms through which the stakeholders can raise concerns related 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/ 3<sup>rd</sup> 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, WorkPlace, Environmental) or otherwise, in the Company;
3. channels for Whistleblower complaint on a confidential and/or anonymous basis, of concerns regarding improper activities;
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.

**31. 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.

**32. 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.

**33. Code of Conduct of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI):**

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.

**34. 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.

**35. 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.

**36. Compliance with Mandatory Requirements:**

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

**37. 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.

**38. Subsidiary Companies:**

As per the criteria given in Regulation 16 of the SEBI (LODR) Regulations, 2015, for the financial year 2023-24, 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.

The details of material subsidiaries are given below:

Sr. No.	Name of the Material Subsidiary	Date of Incorporation	Place of Incorporation	Statutory Auditors
1	Birlasoft Solutions Inc.	September 1, 1998	New Jersey, USA	Not Applicable as per local laws
2	Birlasoft Inc.	March 30, 1995	Delaware, USA.	Not Applicable as per local laws

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;
- Restructuring of Subsidiaries.

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

**39. 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.

**40. Certificate by a Practicing 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 Neha Limaye, Practicing Company Secretary, 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.

**41. 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	0.90
Out of pocket expenses reimbursed	0.09
<b>Total</b>	<b>13.49</b>

**42. Prevention of Sexual Harassment at Workplace:**

There were 4 complaints received, out of which 3 were resolved during the year. The mechanism for prevention of Sexual Harassment at Workplace is given elsewhere in this Annual Report.

**43. 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.

**44. 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	<a href="https://www.birlasoft.com">https://www.birlasoft.com</a>
Terms and conditions of appointment of Independent Directors	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/letter-of-appointment-for-independent-directors.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/letter-of-appointment-for-independent-directors.pdf</a>
Composition of various Committees of Board of Directors	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/constitution-of-the-board-committees.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/constitution-of-the-board-committees.pdf</a>
Code of Conduct of Board of Directors and senior management personnel	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/birlasoft-code-of-conduct.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/birlasoft-code-of-conduct.pdf</a>
Vigil mechanism/Whistle Blower Policy	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/whistle-blower-policy.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/whistle-blower-policy.pdf</a>
Policy on dealing with Related Party Transactions	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/related-party-transaction-policy.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/related-party-transaction-policy.pdf</a>
Policy for determining 'material' subsidiaries	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/material-subsidiary-policy.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/material-subsidiary-policy.pdf</a>
Details of familiarization programmes imparted to Independent Directors	<a href="https://www.birlasoft.com/company/investors/familiarization-programmes-imparted-independent-directors">https://www.birlasoft.com/company/investors/familiarization-programmes-imparted-independent-directors</a>
The email address for grievance redressal and other relevant details	<a href="https://www.birlasoft.com/company/investors">https://www.birlasoft.com/company/investors</a>
Contact information of the designated officials who are responsible for assisting and handling investor grievances	<a href="https://www.birlasoft.com/company/investors">https://www.birlasoft.com/company/investors</a>
Notice of Board meetings where financial results shall be discussed	<a href="https://www.birlasoft.com/company/investors/corporate-governance#notice-board-meetings">https://www.birlasoft.com/company/investors/corporate-governance#notice-board-meetings</a>
Financial Results	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#quarterly-reports">https://www.birlasoft.com/company/investors/policies-reports-filings#quarterly-reports</a>
Annual Report	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#Reports-and-Filings">https://www.birlasoft.com/company/investors/policies-reports-filings#Reports-and-Filings</a>
Shareholding Pattern	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#shareholding-pattern">https://www.birlasoft.com/company/investors/policies-reports-filings#shareholding-pattern</a>
Schedule of Analysts or Institutional Investors Meet	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#quarterly-reports">https://www.birlasoft.com/company/investors/policies-reports-filings#quarterly-reports</a>
Investor Presentations & Transcripts	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#quarterly-reports">https://www.birlasoft.com/company/investors/policies-reports-filings#quarterly-reports</a>
Newspaper Publications	<a href="https://www.birlasoft.com/company/investors/newspaper-advertisements">https://www.birlasoft.com/company/investors/newspaper-advertisements</a> and <a href="https://www.birlasoft.com/company/investors/corporate-governance#Corporate-Announcements">https://www.birlasoft.com/company/investors/corporate-governance#Corporate-Announcements</a>
Credit Ratings & any revision thereof	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings/credit-ratings">https://www.birlasoft.com/company/investors/policies-reports-filings/credit-ratings</a>
Subsidiary Report	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#Reports-and-Filings">https://www.birlasoft.com/company/investors/policies-reports-filings#Reports-and-Filings</a>
Secretarial Compliance Report	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#secretarial-compliance">https://www.birlasoft.com/company/investors/policies-reports-filings#secretarial-compliance</a>
Policy for Determination of Materiality of Events or Information	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/materiality-policy.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/materiality-policy.pdf</a>
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)	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/stock-exchange-intimation-of-authorization-to-kmps-for-determining-material-event.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/stock-exchange-intimation-of-authorization-to-kmps-for-determining-material-event.pdf</a>
Dividend Distribution Policy	<a href="https://www.birlasoft.com/sites/default/files/resources/downloads/investors/dividend-policy.pdf">https://www.birlasoft.com/sites/default/files/resources/downloads/investors/dividend-policy.pdf</a>
Annual Return as provided under the Act	<a href="https://www.birlasoft.com/company/investors/policies-reports-filings#annual-return">https://www.birlasoft.com/company/investors/policies-reports-filings#annual-return</a>

**45. 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.

**46. 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.

**47. 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.

**48. Business Responsibility and Sustainability Report:**

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, the Company has prepared a Business Responsibility and Sustainability 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 Business Ethics and Conduct 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, 2023.

New Jersey  
May 4, 2023

Angan Guha  
CEO & Managing Director

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

We, Angan Guha – **CEO & Managing Director** and Kamini Shah – **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, 2022 to March 31, 2023 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, 2022 to March 31, 2023, 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, 2022 to March 31, 2023;
  - (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.

Angan Guha  
CEO & Managing Director  
New Jersey  
May 4, 2023

Kamini Shah  
Chief Financial Officer  
Pune  
May 4, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
Birlasoft Limited  
CIN: L72200PN1990PLC059594  
35 & 36, MIDC Phase I,  
Rajiv Gandhi Infotech Park,  
Hinjawadi, Pune – 411 057

I have examined the disclosures received from the Directors of **Birlasoft Limited** ('the Company') bearing **CIN: L72200PN1990PLC059594** and having its registered office at 35 & 36, MIDC Phase I, Rajiv Gandhi Infotech Park, Hinjawadi, Pune – 411057 and the relevant registers, records, forms and returns maintained by the Company and as made available to me for the purpose of issuing this Certificate for the Financial Year ending 31st March 2023, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

In my opinion and to the best of my information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, I hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended 31st March 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

S. No.	Name of Director	Designation	Director Identification No.	Date of Appointment	Date of Cessation
1.	Mrs. Amita Birla	Chairman and Non-Executive Director	00837718	15 January 2019	-
2.	Mr. Angan Guha	Chief Executive Officer and Managing Director	09791436	01 December 2022	-
3.	Mr. Chandrakant Birla	Non-Executive Director	00118473	15 January 2019	-
4.	Ms. Alka Bharucha	Independent Director	00114067	23 May 2018	-
5.	Mr. Ashok Kumar Barat	Independent Director	00492930	15 January 2019	-
6.	Ms. Nandita Gurjar	Independent Director	01318683	15 January 2019	-
7.	Mr. Ananth Sankaranarayanan	Independent Director	07527676	02 February 2023	-
8.	Mr. Anant Talaulicar	Independent Director	00031051	23 August 2003	20 October 2022
9.	Mr. Dharmander Kapoor	Chief Executive Officer and Managing Director	08443715	1 June 2019	30 November 2022

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act. Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial Year ended 31st March 2023.

**Neha Limaye**  
Practicing Company Secretary  
FCS: 6222 COP No.: 6475  
Peer Review Cert. No.: 946/2020  
ICSI UDIN: F006222E000235541  
ICSI Unique Code No. I2004MH473100

Date: 02 May 2023  
Place: Pune

**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 4 May 2023.
2. We have examined the compliance of conditions of Corporate Governance by **Birlasoft Limited** ("the Company"), for the year ended 31 March 2023, 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 2023.
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

Place: Pune  
Date: 8 May 2023

Membership No:113896  
UDIN: 23113896BGYESB5722

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### Details of the listed entity:

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Entity	L72200PN1990PLC059594
2.	Name of the Listed Entity	Birlasoft Limited
3.	Year of Incorporation	December 28, 1990
4.	Registered Office Address	35 & 36, Rajiv Gandhi Infotech Park, Phase-1, MIDC, Hinjawadi, Pune-411057
5.	Corporate Address	Noida
6.	E-mail	<a href="mailto:contactus@birlasoft.com">contactus@birlasoft.com</a>
7.	Telephone	+91-20-66525000
8.	Website	<a href="http://www.birlasoft.com">www.birlasoft.com</a>
9.	Financial Year for which report is being done	April 1, 2022 - March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>The National Stock Exchange of India Limited (NSE)</li> <li>BSE Limited</li> </ul>
11.	Paid-up Capital (INR)	54,97,41,094
12.	Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report	Sivasubramanian Venkatasubramanian <a href="mailto:siva.venkat@birlasoft.com">siva.venkat@birlasoft.com</a> +91-20-66525000
13.	Reporting Boundary (Standalone or Consolidated basis)	Standalone

### Products and Services:

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1.	Information and Communication	Computer programming, consultancy and related activities	100%

15. Product/Services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product/Service	NIC Code	%of total turnover contributed
1.	Computer programming, consultancy and related activities	62011	100%

### Operations:

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	-	8	8
International	-	18	18

17. Markets Served by the Entity:

#### 1. Number of Locations:

Location	Number
National (No. of States)	5
International (No. of Countries)	18

2. What is the contribution of exports as a percentage of the total turnover of the entity?

91%

3. A Brief on types of customers?

Industries that are served:

- Manufacturing – Help manufactures to expedite their Industry 4.0
- Energy and Utilities – Help customers in the Energy and Utilities sectors modernize processes across the value chain.
- Life sciences – Help pharmaceutical and medical devices sector to innovate faster and deliver more effective products and services.
- Banking, Financial Services and Insurance (BFSI) – Help BFSI sector in core system modernization, business process overhaul, digital technologies, core infrastructure, data management and CRM.
- Communications, Media, and Technology – Help customers become leaner, optimize processes and streamline their content value chain by providing holistic design thinking and innovative tactical solutions.

### Employees:

18. Details as at the end of Financial Year 2022-23

#### a. Employees and Workers

##### Employees (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	10,201	7,585	74%	2,616	26%
2.	Other than Permanent Employees	1,049	899	86%	150	14%
3.	Total Employees (1+2)	11,250	8,484	75%	2,766	25%

##### Workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	Birlasoft business does not categorize its workforce as workers, therefore, this is not applicable.				
5.	Other than Permanent Workers					
6.	Total Workers (4+5)					

#### b. Differently abled Employees and Workers

##### Differently Abled Employees

Sr. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	28	27	96%	1	4%
2.	Other than Permanent Employees	1	1	100%	0	0%
3.	Total Employees (1+2)	29	28	97%	1	3%



**Differently Abled Workers**

Sr. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers					
5.	Other than Permanent Workers					
6.	Total Workers (4+5)					

Not Applicable

**19. Participation/Inclusion/Representation of Women**

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	7	3	43%
Key Management Personnel (KMP)	2	1	50%

Note: The figures in the above table are as of March 31, 2023. Chandrasekar Thyagarajan ceased to be Chief Financial Officer w.e.f. February 2, 2023 and Kamini Shah was appointed in his place w.e.f. April 3, 2023.

**20. Turnover rate for permanent employees and workers:**

	FY 2022- 23				FY 2021-22				FY 2020-21			
	Male	Female	Undisclosed*	Total	Male	Female	Undisclosed*	Total	Male	Female	Undisclosed*	Total
Permanent Employees	28.8%	30.8%	8.7%	28.6%	34.7%	37.3%	11.4%	34.3%	11.7%	12.0%	2.0%	11.6%
Permanent Workers	NA											

\*Under this category, employees have not disclosed their gender, therefore grouped under 'undisclosed'.

**Holding, Subsidiary and Associate Companies (including joint ventures):**

**21. (a). Names of holding/subsidiary/associate companies/joint ventures**

Sr. No.	Name of the holding/subsidiary/ associate company/joint venture (A)	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/No)
1	Birlasoft Solutions France	Subsidiary	100%	No
2	Birlasoft Solutions Inc.	Subsidiary	100%	No
3	Birlasoft Computer Corporation	Subsidiary	100%	No
4	Birlasoft Consulting, Inc.	Subsidiary	100%	No
5	Birlasoft Solutions ME FZE	Subsidiary	100%	No
6	Birlasoft Solutions GmbH	Subsidiary	100%	No
7	Birlasoft Solutions Ltda.	Subsidiary	100%	No
8	Birlasoft Technologies Canada Corporation	Subsidiary	100%	No
9	Birlasoft Solutions Limited	Subsidiary	100%	No
10	Birlasoft Inc.	Subsidiary	100%	No
11	Birlasoft (UK) Limited	Subsidiary	100%	No
12	Birlasoft Sdn. Bhd.	Subsidiary	100%	No
13	Enablepath, LLC	Subsidiary	100%	No
14	Birlasoft Solutions Mexico, S.A. DE C.V.	Subsidiary	100%	No

As on March 31, 2023, the Company has 14 subsidiaries, including step-down subsidiaries. The Company has two material subsidiaries, namely, Birlasoft Solutions Inc. & Birlasoft Inc.

**22. CSR Details:**

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (in INR)	24,172.43 million
(iii) Net Worth (in INR)	12,209.42 million

**Transparency and Disclosures Compliances:**

**23. Complaints/Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2022-23			Previous Financial Year 2021-22		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Communities	Yes	Nil	Nil	Complaints are addressed on spot	Nil	Nil	Complaints are addressed on spot
Shareholders	Yes The Company provides adequate mechanism to address the grievances of the shareholders. There is a dedicated e-mail ID: <a href="mailto:grievances@birlasoft.com">grievances@birlasoft.com</a> for redressal of shareholders' grievances. For speedy redressal of grievances & for other requests pertaining to share transfers, correspondence relating to shares, dividend; the details of Compliance Officer & the Registrar & Transfer Agent ("RTA") are available on <a href="https://www.birlasoft.com/company/investors">https://www.birlasoft.com/company/investors</a> . In case of any dispute against the Company and/or RTA on delay or default in processing shareholders' request, the shareholders can file for arbitration with Stock Exchange, as per SEBI circular dated May 30, 2022, the details of which are also given on the said weblink of the Company.	6	0	All complaints were resolved satisfactorily.	2	0	All complaints were resolved satisfactorily.
Employees	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. Birlasoft is committed to undertaking a prompt examination of any concern or issue raised by employee. The employee who wishes to raise a concern can do so by writing to internal grievance mailbox – <a href="mailto:grievanceredressal@birlasoft.com">mailto:grievanceredressal@birlasoft.com</a> . Also, the employees can reach out for any issues related to workplace at the email id <a href="mailto:workplacesafety@birlasoft.com">workplacesafety@birlasoft.com</a>	4	1	All complaints were resolved within the stipulated timelines.	1	0	All complaints were resolved within the stipulated timelines.

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2022-23			Previous Financial Year 2021-22		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Customers	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.	Nil	Nil	-	Nil	Nil	-
Suppliers	Birlasoft has a Supplier Conduct Guidelines and Supplier Management policy. As per the Guidelines, suppliers may report any unethical activity anonymously to the Birlasoft team during the quarterly business review meeting with the supplier.	Nil	Nil	-	Nil	Nil	-

The Policies are available on the website at - <https://www.birlasoft.com/company/investors/policies-reports-filings>.

24. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
1.	Data Privacy & Security	Risk	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.	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. 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 with global privacy regulations. The organization is ISO/IEC 27701:2019 certified across functions and client delivery projects which exhibit our ongoing commitment to global data protection requirements.	Negative: Any violation, non-compliance or inadequacy in privacy policies and procedures can result in potential liabilities, penalties, and reputational impact.
2.	Cybersecurity & Information System	Risk	As companies embrace new technologies such as mobile computing, internet of things, cloud computing, etc., Cybersecurity 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 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. The Security Operations Center (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.	Negative: Cyber-attacks that breach our information network or failure to protect sensitive information of the Company's stakeholders in accordance with applicable laws may impact our operations or result in significant regulatory penalties. This may also result in legal and reputational risks for Birlasoft.

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
3.	Corporate Governance	Risk	Corporate Governance essentially involves balancing the interests of various stakeholders of the Company. The achievement of the organization's objective depends on strong corporate governance and any risks may reduce stakeholder confidence, impact the reputation of the Company, and cause a business disruption.	Birlasoft believes that efficient transparent and impeccable Corporate Governance is vital for stability, profitability, and desired growth of the business of any organization. Birlasoft has implemented policies, processes, and systems to guarantee ethical conduct and effective governance. The Code of Business Ethics and Conduct (COBEC) policy is the guiding tool for expected conduct, required to foster healthy business relationships. Birlasoft is committed to be fair and impartial with its stakeholders i.e. employees, customers, vendors, and business partners in all its transactions and dealings. Therefore, by virtue of being part of the Birlasoft family, it is mandatory for all internal and external stakeholders to comply with our COBEC policy.	Negative: Any violation of Corporate Governance rules may result in legal action being taken against the firm, which might have a negative impact on the company's finances and reputation.
4.	Talent Attraction, Retention, Inclusion and Development	Risk & Opportunity	Risk: 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.  Opportunity: Birlasoft has made deliberate and continuous effort to create and sustain a culture of equality, self-awareness, authenticity and accountability in the realm of gender, cross-cultural diversity, persons with disabilities and LGBTQ+inclusion. The Company through its various employee engagement initiatives such as BCares, BEngaged and STAR (Special Thanks and Recognition), Birlasoft demonstrates its values and culture of care and appreciation to its employees.	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. The Company has 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. 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.	Negative: 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.  Positive: Birlasoft provides employees a fair opportunity to attain full potential in an inclusive environment in which they are valued and treated equally and with respect. These essential components result in increased creativity, productivity, innovation, and better business results.
5.	Customer Engagement and Satisfaction	Risk & Opportunity	Opportunity: 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.  Risk: 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.	The Company is focusing on widening the service technology offerings that compliment 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. 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.	Positive: The profitability of the company is significantly influenced by consumer retention and happiness. Better business opportunities for growth and expansion can also result from improved customer satisfaction.  Negative: In absence of continued customer service and engagement, customers can lose trust in Birlasoft's reliability to provide proposed quality service and will have adverse impact on growth of business

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
6.	Energy Management	Risk & Opportunity	<p>Risk: Data centers consume significant energy resources and emitters of carbon emissions. Birlasoft has analyzed its energy utilization and has found three major areas of energy consumption</p> <ol style="list-style-type: none"> <li>1. Air Conditioning – 40%</li> <li>2. Computers and Servers – 38%</li> <li>3. Utility – 22%</li> </ol> <p>Opportunity: Birlasoft continues to invest in building functional capabilities (Digital, Digital Analytics, Platforms, etc.) in desired verticals with swiftness and agility.</p>	<p>Birlasoft has focused on Energy efficiency initiatives and adoption of alternative energy sources that can lower operating expenses while reducing carbon emissions. To mitigate this energy management risk Birlasoft has –</p> <ol style="list-style-type: none"> <li>1. Invested for changing PAC system in place of conventional AC used for data Centre at SDB-1 Hinjawadi, Pune office</li> <li>2. Replaced old HVAC systems with new invertors based VRF technology that results in considerable energy savings vis-à-vis a conventional central AC system</li> <li>3. Installed 390KVA capacity of Solar system for energy conservation</li> </ol>	Negative: Birlasoft impact is mainly in the form of data centers, and electricity used in its offices, and direct and indirect GHG emissions (scope 1 and 2) from its activities.
7.	Climate Change	Risk	<p>Risk: Physical and transition risks associated with climate change have an impact on our industry. It possesses the potential to change customer behavior, disrupt company operations, wreak havoc on our infrastructure and supply chain, have an adverse effect on the general welfare of our staff, and change our corporate strategy.</p>	<p>As a step towards contribution to a greener environment, in line with Birlasoft's commitment to environmental sustainability we have introduced the EV vehicle for Birlasoft offices transportation fleet to reduce diesel consumption.</p> <p>Increasing the carbon sequestration capacity through planting ~200 trees and distributing seeds at the office premises and nearby local areas.</p> <p>One of the key CSR focus areas identified by Birlasoft is Environment Sustainability. Project Shodhan is a community initiative aims to curb pollution that arises from crop stubble burning. Through this project Birlasoft has covered more than 72,000 acres of farmland and impacted more than 100 villages</p>	Negative: Climate change-related extreme weather occurrences put the Company's operations, as well as the safety and well-being of its employees at risk.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies, and processes out in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1. a. Whether your entity's policy/principles cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	N	Y	Y	Y	N	Y	Y	N
c. Web Link of the policies, if available *	1. Code of Business Ethics and Conduct Policy 2. Whistle Blower Policy	Policies on Intranet 1. Global Supplier Management Policy#	Code of Business Ethics and Conduct Policy Policies on Intranet 1.EHS Policy# 2. Equal Opportunity Policy# 3. Global Supplier Management Policy#	CSR Policy	PoSH and Whistle Blower Policy	Policies on Intranet 1. EHS Policy# 2. Business Continuity Management Policy#	1. Code of Business Ethics and Conduct Policy	CSR Policy	Policies on Intranet 1. Cloud Security Policy# 2.Data Protection Policy# 3. Information Security Policy# 4. Privacy Policy# 5. Information Security Awareness and Training Policy
2. Whether the entity has translated the policy into procedures? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	ISO 14001:2015 – Environment Management System ISO 45001:2018 – Occupational Health and Safety Management System ISO 27701:2019 – Privacy Information Management System ISO 27001:2013 – Information Security Management System ISO 9001:2015 – Quality Management System ISO 20000:2018 – Information Technology Service Management System								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	<p>The Company is actively developing specific commitments, goals and targets that align with the nine principles with regards to ESG and overall business development and growth.</p> <p>Moreover, the company has identified the below goals and has started working towards it. The progress on these goals shall be disclosed in the next reporting year.</p> <ol style="list-style-type: none"> <li>To reduce carbon footprint of the Company by adopting energy efficiency initiatives</li> <li>Transition to renewable energy solutions and clean technology</li> <li>Improving gender diversity in workforce</li> <li>Create employee awareness on mental wellbeing and overall health and safety</li> <li>Achieving zero discharge through water conservation and wastewater treatment initiatives</li> </ol> <p>6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met</p>								
<b>Governance, Leadership, and Oversight</b>									
7. Statement by the director responsible for the business	Refer to the Message from CEO & MD provided elsewhere as part of the Annual Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)	Name: Angan Guha Designation: CEO & Managing Director								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If "Yes", provide details	Risk Management Committee (RMC) oversees ESG related risks, in addition to business, geopolitical, and other operational related risks while formulating the risk management framework. The details of RMC have been provided in the Corporate Governance Report.								

\*Most of the policies in respect of the aforesaid principles have been approved by the Board. The remaining policies are internal policies, which have been approved by the concerned Department Heads. The policies which have been approved by the Board can be viewed on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings> and the remaining policies are internal documents and are available on intranet for all employees.

#Indicate policies that are approved by the leadership team of Birlasoft and not by the Board of Directors.

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies and procedures are periodically reviewed by the Board/ Board Committees/Functional Heads, as and when applicable.									Annually   Half-Yearly   Periodically								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	We comply with all the applicable laws of land where we operate in. The compliance with statutory requirements is reviewed by the Board/Board Committees/Functional Heads of the Company on a periodic basis.																	

11. **Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If "Yes", provide name of the agency**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Birlasoft has not carried out independent assessment of its policies through an external agency.								
However, all Company policies are regularly reviewed and updated by respective functional heads, followed by the Board/ Board Committees, as and when need arises due to external environment changes or geopolitical scenarios.								

12. **If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any Other Reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

Entity demonstrates their performance in integrating the Principles and Core Elements with key processes and decisions.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable**

**Essential Indicators**

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year 2022-23:

Segment	Total number of training and awareness programs held	Topics/Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	<p>The Company familiarizes the Independent Directors through various programs which include the industry in which it operates, its business model, their roles, rights and responsibilities as Independent Directors, etc. at regular intervals.</p> <p>At meetings of Board of Directors and its Committees the following topics are covered:</p> <ul style="list-style-type: none"> <li>Business Highlights, Operations and Strategy</li> <li>Financial performance, key issues</li> <li>Corporate Social Responsibility</li> <li>Enterprise Risk Management</li> <li>Related Party Transactions</li> <li>Internal Financial Controls</li> <li>Regulatory updates.</li> </ul>	100%

Segment	Total number of training and awareness programs held	Topics/Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	6	Code of Conduct and Anti Bribery & Anti-Corruption, Enterprise Risk Management at Birlasoft, Information Security Awareness, Prevention of Sexual Harassment, Prevention of Insider Trading, Privacy Training Certification	100%
Employees other than BoD and KMPs	6	Code of Conduct and Anti Bribery & Anti-Corruption, Enterprise Risk Management at Birlasoft, Information Security Awareness, Prevention of Sexual Harassment, Prevention of Insider Trading, Privacy Training Certification	90%
Workers	Not Applicable. There are no workers in Birlasoft.		

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as discussed on the entity's website)

**Monetary**

	NGRBC Principle	Name of the Regulatory/enforcement agencies/judicial institutions	Amount (in INR)	Brief of Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding Fee					

**Non-Monetary**

	NGRBC Principle	Name of the Regulatory/enforcement agencies/judicial institutions	Amount (in INR)	Brief of Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil				
Punishment					

**3. Of the instances disclosed in Question 2, above detail of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	Nil

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide web-link to the policy.**

Yes. Our Code of Business Ethics and Conduct Policy (COBEC) demonstrates our commitment to Ethical Business Standards. Birlasoft has a Zero-Tolerance policy for bribery and corruption, whether it be in the form of a quid pro quo, kickbacks, facilitation payments, donations, or willful blindness. Employees and business partners are expected to be aware of and abide by applicable anti-bribery and anti-corruption laws on a local and international level. Attempting to win or influence businesses through bribery or corruption is against the law, Birlasoft values, and COBEC policy. Birlasoft believes in forgoing the business rather than indulging in unfair and unethical practices. The policy is available at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	Current Financial Year 2022-23	Previous Financial Year 2021-22
Directors	Nil	Nil
Key Managerial Personnel (KMPs)		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest:**

	Current Financial Year 2022-23		Previous Financial Year 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

During the FY 2022-23, there was no instance of corruption nor bribery, therefore, no corrective action was required.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	9%	7%	Energy Efficiency Initiatives: <ol style="list-style-type: none"> <li>Replacement of HVAC system with more efficient VRF system.</li> <li>Replacement of CFL with LED lighting for improving energy efficiency</li> </ol> Water Conservation Initiatives: <ol style="list-style-type: none"> <li>Birlasoft has implemented CAMUS-SBT (Continuous Advanced Multistage System – Soil Biotechnology) sewage treated plant which is a unique innovation to treat sewage water using terrestrial ecology for optimum utilization of water.</li> </ol>

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).**

**b. If “Yes”, what percentage of inputs were sourced sustainability?**

Responsible sourcing is becoming an area of focus for the Company. Birlasoft is committed to conduct its business with the highest standards of ethics and integrity and expects the same level of commitment from its business partners i.e., suppliers, contractors and consultants.

The ‘Suppliers Conduct Guidelines’ mandates following ethical standard requirements from its suppliers:

- Labor Force and Employment Laws
- Non-Discrimination

3. Statutory dues such as PF, ESI, etc.
4. Supplier Diversity
5. Environmental Laws
6. Environmental Permits and Product Safety
7. Safety and Health Laws
8. Freedom of Association
  - a. Intellectual Property and Confidential Information
9. Privacy and Security
10. Confidential Information and Privacy
11. Equipment and Information Security
12. Integrity of Business Records and Compliance with Accounting Procedures
13. Laws Relating to Government and Regulatory Agencies and Dealings with public officials, competition laws, Anti-Boycott, Export Control and Anti-Corruption Laws and Conflicts of Interest.

While onboarding strategic suppliers, the above-mentioned factors are rigorously reviewed as part of supplier due diligence checklist by our supplier management team. Finally, the suppliers digitally acknowledge Birlasoft Group Supplier Conduct Guidelines, whereby they conform to comply with the laid down obligations mentioned in the Guidelines. 100% of the inputs are sourced sustainably.

As a step towards sustainability in logistics and transportation, Birlasoft has sourced electric vehicles for day-to-day transport operations in partnership with an industry pioneer in this domain to reduce its carbon emissions in the supply chain activities.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for:**

<b>Plastics (including packaging)</b>	Birlasoft is an IT Consulting Services Company and does not manufacture any products hence this question is not applicable to the Company's operations. Birlasoft has laid down waste management procedures in line with government guidelines to handle all types of waste generated during its business operations. There are defined processes in place for reuse, recycle and safe end-of-life disposal for the products used in its operations.
<b>E- Waste</b>	
<b>Hazardous Waste</b>	
<b>Other Waste</b>	

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**

- If "Yes", whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board?
- If "Not", provide steps taken to address the same.

Extended Producer Responsibility (EPR) is not applicable to Birlasoft business operations, as the Company does not manufacture product nor engages in packaging business; it is an IT Software Company.

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of Employees:**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	7,585	7,585	100%	7,585	100%	0	0	7,585	100%	7,585	100%
Female	2,616	2,616	100%	2,616	100%	2,616	100%	0	0	2,616	100%
Total	10,201	10,201	100%	10,201	100%	2,616	26%	7,585	74%	10,201	100%
<b>Other than Permanent Employees</b>											
Male	NA. As other than permanent employees are hired through the vendors who are responsible for providing the well-being measures.										
Female											
Total											

Note: NA-Not Applicable

**1. b. Details of measures for the well-being of Workers:**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	NA										
Female											
Total											
<b>Other than Permanent Workers</b>											
Male	NA										
Female											
Total											

Note: NA-Not Applicable

**2. Details of retirement benefits, for Current FY 2022-23 and Previous FY 2021-22**

Benefits	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/No/NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/No/NA)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	1%	NA	Yes	1%	NA	Yes
Others- please specify	Nil	NA	-	Nil	NA	-

Note: NA-Not Applicable

**3. Accessibility of Workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If “Not”, then whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the entity are accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

Our offices have been designed with a strong emphasis on inclusivity and accessibility, as the office spaces are equipped with wheelchair parking areas, height-adjustable workstations and access ramps at entrances.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, please provide the web-link of the policy.**

Yes. The ‘Equal Opportunity Employer Policy’ of Birlasoft aims to provide a conducive environment for all its employees. In accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and Rules, it is Company’s Policy to ensure that the work environment is free from any discrimination against persons with disabilities. Further, the Company will take all actions to ensure that a conducive environment is provided to persons with disabilities to perform their role and excel in the same. As per the Policy, the Company aims to create systems and processes to ensure:

1. That appropriate facilities and amenities are provided to persons with disabilities to enable them to effectively discharge their duties in the establishment.
2. That provision is made for an accessible environment and of availability of assistive devices as required.
3. That the location HR Head shall oversee the provision of required facilities/amenities for employees with disabilities and the location FLM team shall be responsible for ensuring the required facilities/amenities for employees with disabilities are available.

This Policy is an internal document and is available on Company’s intranet for all its employees.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	87%	NA	
Female	100%	92%		
Total	100%	89%		

Note: NA-Not Applicable

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If “Yes”, give details of the mechanism in brief:**

Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Birlasoft is committed to undertake a prompt examination of any concern or issue as raised by employee. The employee who wishes to raise a concern can do so by writing to internal grievance mailbox at <a href="mailto:grievanceredressal@birlasoft.com">grievanceredressal@birlasoft.com</a> .
Other than Permanent Employees	
	Employees can connect with POSH Committee at <a href="mailto:e-secure@birlasoft.com">e-secure@birlasoft.com</a> for any complaints related to harassment and redress their grievance in a stipulated time frame.

Note: NA-Not Applicable

**7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of Association(s) or Unions (B)	Percentage (%) (B/A)
<b>Total Permanent Employees</b>	There is no such employee association that is officially recognized by the Company.					
Male						
Female						
<b>Total Permanent Workers</b>	Not Applicable					
Male						
Female						

**8. (a). Details of training given to employees and workers on “Health and Safety Measures”**

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	8,484	-	-	7,889	-	-
Female	2,766	-	-	2,641	-	-
Total	11,250	-	-	10,530	-	-
<b>Workers</b>						
Male	Not Applicable					
Female						
Total						

**(b). Details of training given to employees and workers on “Skill Upgradation”**

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	8,484	7,131	85%	7,889	5,948	75%
Female	2,766	2,297	83%	2,641	1,814	69%
Total	11,250	9,428	84%	10,530	7,762	74%
<b>Workers</b>						
Male	Not Applicable					
Female						
Total						

**9. Details of Performance and Career Development reviews of employees and workers:**

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Male	8,356	8,356	100%	8,275	8,275	100%
Female	2,726	2,726	100%	2,618	2,618	100%
Not Disclosed*	46	46	100%	179	179	100%
Total	11,128	11,128	100%	11,072	11,072	100%
<b>Workers</b>						
Male						
Female						Not Applicable
Total						

\*The category of employees who preferred not to disclose their gender are grouped under 'Not Disclosed' heading.

**10. Health and Safety Management System:**

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) If "Yes", then coverage of the system.	Yes  Our Head office at Pune location is certified with ISO 14001:2015 Environment Management System (EMS) and ISO 45001:2018 Occupation Health and Safety (OHS) Management System.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	As per ISO 45001 standards.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)	Yes, employees can report such issues through feedback over mail OR feedback over online Service tool (Service Now).
d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, all employees have medical insurance through which there are tie ups with various Hospitals in different localities.

**11. Details of safety related incidents, in the following format:**

Safety Incidents/ Number	Category	Current Financial Year 2022-23	Previous Financial Year 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
Number of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

Note: NA-Not Applicable

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

Employee health and well-being is of paramount importance to the Company and several initiatives have been undertaken to ensure a safe working environment for all employees. We have implemented the best safety procedures, practices, and our Pune office facility is certified with ISO 45001:2018 Occupational Health and Safety (OHS) Management System.

One of the major focus areas from employee safety perspective is commuting to and from office in individual transport or company provided transport.

Some of the safety measures taken are:

- Mandatory Alcohol Tests are carried out for all drivers at the time of departures.
- Annual Medical check-up mandatory for all cab drivers.
- Security escorts provided for lady employees traveling between 20:00 hrs. to 06:00 hrs. and having last drop or 1st pick-up.
- Periodic training sessions planned for all cab drivers on safety, first aid, traffic discipline etc.
- Incident reporting, root cause analysis, CAPA for all major and minor incidents.
- Do's and Don'ts, Emergency Contact Helpline mandatory on all the vehicles.
- Only cabs up to 5 years vintage are used for employee commute.
- Mandatory use of seat belts and helmets within the premises.
- Yoga Sessions for Cab Drivers to ensure they live stress free while driving.

**COVID-19 Measures:**

During pandemic period, Birlasoft engaged its employees and third-party vendors in various EOHS initiatives held in the Company. The hazard identification and risk assessment were carried out in consultation with relevant stakeholders, employees, and third-party vendors. By considering the pandemic situation, we had undertaken various preventive measures and organized trainings, awareness sessions and other health related programs throughout the year.

**13. Number of complaints on the following made by employees and workers:**

	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and Safety	Nil	Nil	-	Nil	Nil	-

**14. Assessment for the Year (2022- 23):**

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
Health and Safety Practices	35% (In terms of area and number of employees covered)
Working Conditions	35% (In terms of area and number of employees covered)

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risk/concerns arising from assessment of health and safety practices and working conditions.**

No such incident was recorded during FY 2022-23.



**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the process for identifying key stakeholder groups of the entity.**

As part of our commitment to conduct business responsibly, we work to forge dependable connections with all relevant stakeholders, including employees, government, regulatory authorities, industry associations, local community, investors and shareholders, suppliers, customers, communities and academia. Key stakeholders are keenly engaged in the Company's success since they are most affected by its operations. Similarly, the performance and growth of the firm are frequently dependent on our key stakeholders. We have put in place a systematic management approach to communicate with and learn from our key stakeholders to understand their expectations and concerns and incorporate their feedback into our strategy. These engagements help to improve our collective intelligence, aid in the prioritizing of critical themes, reduce risks, provide resources, and align operations with a strategic goal.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Government, regulatory authorities and industry associations	No	<ul style="list-style-type: none"> <li>Industry body/forums</li> <li>Workshops/Events</li> <li>Partnerships with industry bodies and associations</li> <li>Interacting with statutory/regulatory bodies such as stock exchanges, tax departments, SEBI, and pollution control board</li> </ul>	Annual	<ul style="list-style-type: none"> <li>Ethical governance and Compliance</li> <li>Statutory and sustainability disclosures</li> <li>Work in partnership with industry body and associations to solve global challenges</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>BCares – A holistic wellness program by Birlasoft to support physical, mental, financial and social wellness of employees.</li> <li>BEngaged- A gamut of engaging and innovative activities are organized by Birlasoft to bring vibrancy and positive energy at work. Activities includes: talent show, celebrations, games, family engagement, team building activities</li> <li>Newsletters</li> <li>Employee satisfaction survey</li> <li>Career opportunities and Development programs</li> <li>Trainings and workshops</li> <li>Rewards and recognitions</li> </ul>	Periodic	<ul style="list-style-type: none"> <li>Career development</li> <li>Prospects</li> <li>Enhance productivity and motivation</li> <li>Training programs and learning nuggets</li> <li>Occupational health and safety</li> <li>Diversity and Inclusion</li> <li>Employee Assistant program.</li> <li>Employee Feedback and resolutions of the issues</li> <li>Formal recognition program across the globe called STAR (Special Thanks and Recognition) with the tagline "Keep Shining"</li> <li>Employee Volunteering Program</li> </ul>

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
NGO/CSR Implementation Partners	No	<ul style="list-style-type: none"> <li>Calls, emails, offline and online meetings</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Program management and Governance, Challenges, Areas of Improvement</li> </ul>
Volunteers	No	<ul style="list-style-type: none"> <li>Offline and Online connects</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Engagement, Participation, Trainings</li> </ul>
Communities	Yes	<ul style="list-style-type: none"> <li>Offline and Online connects</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Qualitative and Quantitative impact of Intervention, Challenges</li> <li>Areas of improvement</li> <li>Trainings</li> </ul>
Investors and shareholders	No	<ul style="list-style-type: none"> <li>Analyst calls</li> <li>AGM</li> <li>Reports</li> <li>Investors Presentations</li> <li>Quarterly Reports and fillings</li> <li>Press Releases</li> </ul>	Quarterly and annually	<ul style="list-style-type: none"> <li>Provide an overview of business performance, stability, profitability and desired growth.</li> <li>Ensure timely and sufficient information</li> <li>Provide adequate mechanism to address the grievances</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>Customer Visits and Meetings</li> <li>Partnerships</li> <li>Customer satisfaction surveys</li> <li>Newsletter</li> <li>Brochures</li> <li>Mailers</li> <li>Social Media</li> </ul>	Periodic	<ul style="list-style-type: none"> <li>Help customers in running business efficiently</li> <li>Understand customer's perception of deliverables and services offered through "Voice of Customer" form</li> <li>Promptly resolve any challenges faced by customers</li> <li>Support customers by investing into business ready platforms, co-innovation labs, etc.</li> </ul>
Suppliers	No	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Supplier/Procurement Escalation mechanism</li> </ul>	As and when required	<ul style="list-style-type: none"> <li>Supplier Due-Diligence</li> <li>Supplier Risk Assessment</li> <li>Financial risk assessment for business-critical suppliers</li> <li>Performance Evaluation for business-critical suppliers</li> <li>Query resolution &amp; grievance redressal</li> </ul>
Academia	No	<ul style="list-style-type: none"> <li>Corporate Academia Partnerships</li> <li>Apprenticeship programmes</li> </ul>	As and when required	<ul style="list-style-type: none"> <li>Support research and development</li> <li>Promote an ecosystem of innovation and foresight</li> </ul>

**Principle 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format\*:**

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
<b>Employees</b>						
Permanent	10,201	10,201	100%	10,122	10,122	100%
Other than permanent	1,049	1,049	100%	408	408	100%
Total Employees	11,250	11,250	100%	10,530	10,530	100%
<b>Workers</b>						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

\*100% of Birlasoft employees are trained on Code of Business Ethics and Conduct Policy (COBEC) which is committed to respecting the personal dignity of its employees.

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	Current Financial Year 2022-23					Previous Financial Year 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
<b>Employees</b>										
Permanent	All employees and contractors have been paid more than or equal to minimum wage as mandated by the local laws and regulations of the countries we operate in.									
Male										
Female										
<b>Other than Permanent</b>										
Male										
Female										
<b>Workers</b>										
Permanent	Not Applicable									
Male										
Female										
<b>Other than Permanent</b>										
Male										
Female										

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median salary/wage of respective category	Number	Median salary/wage of respective category
Board of Directors (BoD) (in INR Mn)				
- Executive Directors	1	12.00	-	-
- Non-Executive Directors	3	NA	3	NA
Key Managerial Personnel (in INR Mn)	1	12.00	1	5.99
Employees other than BoD and KMP India (in INR Mn)	7,553	1.47	2,627	1.10
Employees other than BoD and KMP Direct Branches* (In USD Mn)	17	0.14	2	0.12
Workers	Not Applicable			

\*Direct Branches include Singapore and Switzerland

Note:

- There have been changes in the composition of Board of Directors and KMPs during the year, which are detailed in the Board's Report. The number of Directors and KMPs given above is as on March 31, 2023.
- KMP includes the Executive Director. Hence, the same figure has been repeated.
- To provide a fair interpretation of the median, the annual Cost To Company (CTC) has been considered and not actual payout during the year, which could vary on account of several reasons, for instance, perquisite value on account of ESOPs allotment.
- Non-Executive Directors received no remuneration, except sitting fee for attending Board/Committee meetings and an annual commission. Hence these details are not applicable.

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Birlasoft has set up an internal complaints committee, known as 'Secure Workplace Council' to address harassment issues at workplace, that has a minimum of four members and the Head of the Council is a senior employee. The Council seeks assistance from external bodies who are associated with the cause of workplace safety & security/legal experts during investigation, wherever the council deems it necessary or as required under the law of the land, for the purpose of advice and investigation. Such external bodies/experts must be associated in the field of working on social safety/empowerment or matters dealing with welfare of people, especially in support of women.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The details of the Secure Workplace Council members are available on our intranet portal and at our notice boards. An associate can reach out to the council at [e-secure@birlasoft.com](mailto:e-secure@birlasoft.com) for submitting his/her complaint. An associate must report any incident of threat or harassment or grievance to either location HR SPOC or write to the Council as soon as the incident has occurred, but not later than 90 days of the incident. The complaint also may be sent in writing duly signed and dated, addressed to the Head of Secure Workplace Council at the Corporate Office of Birlasoft. If an employee is unable to make a complaint on account of physical/mental incapacity or death, the employee's legal heir or any other person prescribed or who has full knowledge of the incident can submit a complaint on behalf of the employee.

**6. Number of complaints on the following made by employees and workers:**

	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	4	1	Complaints were reviewed and closed appropriately. Actions were initiated as per the POSH Policy.	1	0	Complaints were reviewed and closed appropriately. Actions were initiated as per the POSH Policy.
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Secure Workplace Council ensures that the particulars of the affected parties are maintained strictly confidential, especially of the complainant (of both the parties). It also ensures that a congenial work environment is maintained and followed by both the parties even after the incident in case strict disciplinary action is not taken against the accused (i.e. if services are not terminated). The Council and HR also ensure that the complainant is not harassed or victimized in any way by anybody in the Company for having made the complaint.

When an associate formally raises a grievance on the system, confidentiality to the utmost will be respected for all the parties and will remain the basic expectation from all parties. Those intruding confidentiality can be reprimanded basis the severity.

The respective investigating committee will investigate any concerns raised by any associate and will take appropriate action under the circumstances and as guided by contract or policies upto and including termination of employment. If inappropriate behavior or conduct is substantiated as per the investigation, then the consequences may vary based on the severity as mentioned below-

- Verbal counselling
- Additional trainings
- Reprimand - Warning letters
- Reverse Reprimand
- Impact on performance appraisal output and/or financial benefits
- Termination of employment including impact on any possibilities of rehiring

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human Rights aspects are covered as part of the Birlasoft Group Supplier Conduct Guidelines which is accepted by the suppliers during the vendor onboarding process. By signing the Supplier Conduct Guidelines, suppliers are expected to comply with all the applicable laws, regulations and Birlasoft's requirements mentioned in the Guidelines.

**9. Assessment for the FY 2022-23:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Nil Birlasoft does not engage any child labour in the operations and performs internal checks and reviews periodically to ensure compliance at all its offices.
Forced/Involuntary Labour	Nil Birlasoft does not engage any force labour in the operations and performs internal checks and reviews periodically to ensure compliance at all its offices.
Sexual harassment	100% Birlasoft has created POSH Policy to strengthen its core values of Respect and Integrity, to provide a conducive environment free from prejudice, gender bias and sexual harassment at workplace.
Discrimination at workplace	Nil
Wages	Nil

Birlasoft is committed to the dignity of human beings. Its commitments and practices are based on the belief that 'human life and human dignity are inviolable'. Human life is worthy of protection and human dignity worthy of respect of always. Therefore, all Birlasoftians in all their dealings and engagements with their colleagues, customers, vendors, government officials, security and service staff and all human beings, irrespective of their nationality, nativity, religion, caste or color, social status or official positions, shall treat all human beings with dignity and honor. Any violation to this fundamental belief and commitment will be dealt as per the disciplinary policy of the organization.

Birlasoft is also committed to comply with all laws and regulations related to taxation, employment laws, work environment, safety and health standards, environmental laws, labor and employee welfare regulations, wages acts, visa regulations, maternity benefit laws, retirement benefits regulations and/or any such laws and regulations, as applicable to the organization and/or its employees.

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Qs. 9, above.**

Not Applicable

**Principle 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

(In terms of GigaJoules-GJ)

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total Electricity Consumption (A)	15,518	17,658
Total Fuel Consumption (B)	1,020	705
Energy consumption through Other Sources (C)	1,761	1,866
Total Energy Consumption	18,299	20,229
Energy intensity per rupee of turnover (Total energy consumption (in GJ)/turnover (in million))	0.76	0.99

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency: NO

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Yes/No)**

If “Yes”, disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, we have not adopted the PAT scheme.

**3. Provide details of the following disclosures related to water, in the following format:**

Data is restricted to owned premises only, i.e., Pune.

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Water withdrawal by source (in kilo-litres)		
(i) Surface Water	0	0
(ii) Groundwater	0	0
(iii) Third Party Water	15,252	12,801
(iv) Seawater/Desalinated water	0	0
(v) Others (Please specify)	0	0
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	15,252	12,801
Total volume of water consumption (in KL)	15,252	12,801
Water intensity per rupee of turnover (KL/million) (water consumed/turnover (in million))	0.63	0.62

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency: NO

**4. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If “Yes”, provide details of its coverage and implementation.**

Yes, Birlasoft believes in restoring nature and efficiently utilizing natural resources. This is reflected from our continuous efforts and dedication to invest in sustainable technologies for conserving natural resources. Birlasoft has installed CAMuS-SBT (C-SBT or Continuous Advanced Multistage System – Soil Biotechnology) sewage treatment plant to reduce freshwater consumption and treat wastewater effectively with less energy consumption. 60% of the water gets treated through STP and is recycled & used for gardening purposes. Apart from recycling of water, several other initiatives are also undertaken to reduce consumption of fresh water such as:

- Installation of sensor-based taps in the washrooms.
- Maintaining optimum pressure within water lines to reduce water wastage.
- Regulating water flow at all the outlets of all the toilets.
- Provision of hot water to the gymnasium and cafeteria kitchen using solar energy.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Data is restricted to Pune premises only. There are 6 DGs in the premises.

Parameter	Please specify unit	Current Financial Year 2022-23	Previous Financial Year 2021-22
NOx	mg/NM <sup>3</sup> (Average of all 6 DG Sets)	23.98	18.82
SOx	Kg/Day (Average of all 6 DG Sets)	0.38	0.49
Total Particulate Matter	mg/NM <sup>3</sup> (Average of all 6 DG Sets)	43.80	44.28
Persistent Organic Pollutant (POP)		NA	NA
Volatile Organic Compounds (VOC)		NA	NA
Hazardous Air Pollutant (HAP)		NA	NA

The DG stack emissions are sampled and analyzed by government approved laboratories and the reports are reviewed by the internal team to ensure compliance. The findings of the DG stack air emission are well within the MPCB (Maharashtra Pollution Control Board) limit.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency: NO

Note: NA-Not Applicable

**6. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

Parameter	Please specify unit	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total Scope 1 Emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric Tonnes of CO <sub>2</sub> equivalent (MTCO <sub>2</sub> e)	75.80	52.38
Total Scope 2 Emissions	Metric Tonnes of CO <sub>2</sub> equivalent (MTCO <sub>2</sub> e)	3,405.38	3,875.00
(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)			
Total Scope 1 and Scope 2 emissions per rupee of turnover	MTCO <sub>2</sub> eq/million	0.14	0.19

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency: NO

**7. Does the entity have any project related to reducing Greenhouse gas emissions? If “Yes”, then provide details.**

Yes. Birlasoft believes that a healthy environment is essential to a healthy and diverse future which is non-negotiable. We are committed to reducing our Scope 1 and Scope 2 GHG emissions and contribute towards UN-Sustainable Development Goal (SDG) 6 and SDG 13. Our EHS policy, outlines strategies and process for a range of environmental impact including energy and carbon emission reduction. Birlasoft believes in improving its environmental footprint by encouraging and acting towards recycling, sustainable living, pollution reduction and usage of renewable resources. Birlasoft has undertaken various initiatives towards GHG emission reduction in last two financial years –

1. Birlasoft has created awareness amongst its employees to use and consume energy and consumables judiciously so that its employees are conscious of the environmental impact. It also analyzes the consumption pattern of various consumables and constantly look at ways of reducing consumption by providing alternative/better options
2. We have installed the solar power plant with capacity of 125 KVA and 265 KVA respectively on two different building names as SDB-I and SDB-II at Pune location
3. Birlasoft has undertaken the initiative of replacing its existing CFL/T5 lamps with LED lights in phased manner (we have ensured to use our existing light fixtures with innovative retrofitting). This shall reduce 60% of lighting load vis-à-vis kWh consumption. Furthermore, the replacement of LED lights will significantly reduce the generation of e-waste

4. We have been one of the early adopters in using technology for transport operations that aims at reducing diesel consumption of the organization. We have introduced the Electronic Vehicle for Bengaluru, Hyderabad and Pune offices of Birlasoft. 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 CO<sub>2</sub> emissions abated per year, which is equal to growing 360 trees per year.
5. Air conditioning ('AC') system consumes almost 40% of power of the total consumption of Birlasoft Pune office, which is the highest compared to any other resources. Major investments were carried out for replacement of old HVAC system at SDB-II and Innovarium with new inverter based VRF technology.
6. Increasing the carbon sequestration capacity through planting ~200 trees and distributing seeds in Pune and PCMC.

**8. Provide details related to waste management by the entity, in the following format:**

This data is restricted to owned premise only, i.e., Head office at Pune.

Parameter	Current Financial Year 2022-23	Previous Financial Year 2021-22
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	0.10	0.16
E-Waste (B)	20.00	75.00
Bio-medical Waste (C)	0	0
Construction and Demolition Waste (C&D) (D)	4.00	0
Battery Waste (E)	0	0
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G) (Please specify, if any)	0	0
Other Non-Hazardous Waste generated (H) (Please specify, if any)	0	0
<b>Total Waste Generated (A+B+C+D+E+F+G+H)</b>	<b>24.10</b>	<b>75.16</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste Name:		
(i) Recycled	8.14	10.23
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>8.14</b>	<b>10.23</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste Name:		
(i) Incineration	0	0
(ii) Landfilling	2.77	2.73
(iii) Other disposal operations	0	20.82
<b>Total</b>	<b>2.77</b>	<b>23.55</b>

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency: NO

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Being an IT company, Birlasoft has been keeping a pace with latest technology trends to keep a close track on all electronic equipment which have completed their useful life or have become end of life. The management and disposal of waste of various categories are done by empaneled maintenance and facility management organizations. The waste categorization is done at the collection stage and disposal stage. Disposal of waste is done at the areas and sites dedicated by the local authorities for the purpose. Birlasoft not only ensures that there is proper method for categorization, management and disposal of waste, but also it emphasizes reduction in generation of waste through continuous improvements in processes, better design, innovation, by working with NGO's and organizations which manages and recycles waste. Continuous awareness is also created amongst employees to ensure that they are conscious of consumption, generation of less waste and potential damage to the eco system if these are not properly used and managed.

Disposal of e-waste, if any, is done as per the e-waste disposal process through authorized and certified e-waste management organizations. The company stores e-waste in identified areas which are disposed off periodically through these identified organizations and vendors. Birlasoft's e-waste management procedure is the defining guidelines for handling all types of e-waste and complying with Governments and Maharashtra Pollution Control Board (MPCB) guidelines.

Disposal of generated e-waste will be done through government authorized handlers/recyclers. Hazardous wastes are disposed-off through authorized agencies as per the guidelines of Ministry of Environment and Forests (MOEF). Additionally, all used printer cartridges are sent back to manufacturers and manufactures recycle/dispose-off as per government guidelines.

**10. If the entity has operations/offices in & around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/ clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
1	Hinjawadi, Pune	IT software development	Yes, we have a consent from MPCB.

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2022-23**

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
Not Applicable					

**12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Yes/No).**

If "Not", provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/guidelines which is not compliant	Provide details of the non-compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken, if any
1	We have complied all the guidelines as per state pollution control board	Nil	Nil	Not required

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. (a). Number of affiliations with trade and industry chambers/associations.

4

(b). List the top 10 trade and industry chambers/associations (determined based on the total numbers of such body) the entity is member of/affiliated to.

Sr. No.	Name the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	The National Association of Software and Service Companies (NASSCOM)	National
2.	Mahratta Chamber of Commerce Industries and Agriculture (MCCIA)	State
3.	Hinjawadi Industries Association, Pune (HIA)	State
4.	Society for Cyberabad Security Council (SCSC)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the Case	Corrective action taken
Nil		

**Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2022-23:

Name and brief detail of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant web-link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	%of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Council, committee, volunteers, and implementation partners work in close cooperation on development areas. Birlasoft conducts concurrent monitoring of the project at various levels and required areas like beneficiary monitoring, financial monitoring, milestone monitoring, etc. Activities identified under Birlasoft CSR are implemented on the ground by selected Specialized Agencies or selected internal groups/committees, approved by Steering Committee. Steering Committee monitors and governs the project to ensure its continuity in the right direction as per timelines and milestones. Monthly connects with community by Birlasoft and implementation partners are conducted to gauge project performance or any grievance, if any. And a team of volunteers is also deputed on-ground for physical audits and for grievance redressal.

4. Percentage of input material (input to total inputs by value) sourced from suppliers:

	Current Financial Year 2022-23	Previous Financial Year 2021-22
Directly sourced from MSMEs/Small producers	19.36%	21.76%
Sourced directly from within the district and neighboring districts	Birlasoft engages with suppliers across pan-India.	

**Principle 9: Business should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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 are 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.

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. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

	As percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable to Birlasoft business, as we are a software service sector Company.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	Current Financial Year 2022-23		Remarks	Previous Financial Year 2021-22		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary Recalls	Not Applicable to our business.	
Forced Recalls		

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy.**

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.

The organization is ISO/IEC 27701:2019 certified across functions and client delivery projects which exhibit our ongoing commitment to global data protection requirements.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security and data privacy of customers; re-occurrence of instances of product recalls, penalty/action taken by regulatory authorities on safety of products/services.**

Nil

# FINANCIAL STATEMENTS

# 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 2023, 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 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Revenue recognition in respect of fixed price contracts See note 1.2 and 29 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition in respect of fixed price contracts:</b></p> <p>The Company engages in 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 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"> <li>Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation.</li> <li>There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations.</li> <li>These contracts may involve onerous obligations on the Company requiring critical estimates to be made.</li> <li>Contracts are subject to modification to account for changes in contract specification and requirements.</li> </ul>	<p><b>Our audit procedure in this area included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained 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;</li> <li>Tested 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;</li> <li>For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognised in accordance with Ind AS by:             <ol style="list-style-type: none"> <li>Evaluating the identification of performance obligations.</li> <li>Agreeing the transaction price to the underlying contracts.</li> <li>Inspecting the approval of the estimates of cost to complete.</li> <li>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.</li> <li>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.</li> <li>Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred,</li> </ol> </li> </ul>

### 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 we have obtained 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.

- 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.

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.

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.

- vii. 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.

### Information Other than the 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 Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

### 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 income), 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to 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 Auditors) 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 2023 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, as disclosed in the Note 25.4 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 25.5 to the standalone financial

- statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.

As stated in Note 12.2 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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  
Membership No. 113896  
ICAI UDIN:23113896BGYERX3571

Place: Pune  
Date: 08 May 2023

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Birlasoft Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (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 three 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 the 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 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.
- (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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

- In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 Act 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 Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues have been regularly deposited 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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2023 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, Provident Fund, Employees State Insurance, Income-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 the dues	Forum where dispute is pending	Period to which the amount relates	Amount demanded in ₹ million	Amount paid under protest in ₹ million
Income Tax Act, 1961	Income Tax	Delhi High Court	2003-2004 2005-2006 2007-2010	601.90	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2004-2005 2013-2014	7.82	-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2008-2009 2010-2011 2015-2016 2017-2018 2019-2020	84.26	0.74
Income Tax Act, 1961	Income Tax	Assessing Officer of Income Tax	2006-2012	107.42	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	April 2006 - March 2008	28.60	-
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	April 2014 - 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.
- (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 Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (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, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions 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 Act 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) 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, 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.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in our independent auditor's report on standalone financial statements is expected to be made available to us after the date of this auditor's report.
- (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 Act 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 explanation given to us, amount remaining unspent under sub-section 5 of section 135 of the Act, pursuant to ongoing project has been transferred to special account in compliance with the provision of subsection (6) of section 135 of the Act.

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

**Swapnil Dakshindas**  
Partner

Place: Pune Membership No. 113896  
Date: 08 May 2023 ICAI UDIN:23113896BGYERX3571

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Birlasoft Limited for the year ended 31 March 2023**

**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 Act**

**(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 2023 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 2023, 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 and Board of Directors' Responsibilities 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with

reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements.

**Meaning of Internal Financial Controls with Reference to 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 standalone 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 standalone 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Swapnil Dakshindas**  
Partner

Place: Pune Membership No. 113896  
Date: 08 May 2023 ICAI UDIN:23113896BGYERX3571

# Standalone Balance Sheet

as at 31 March 2023

(Amount in ₹ million)

	Note	31 March 2023	31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2A	1,364.50	1,409.41
Right-of-use assets	2B	788.26	974.19
Capital work-in-progress	2D	64.95	16.99
Other intangible assets	2C	136.88	93.48
Intangible assets under development	2D	-	11.40
<b>Financial assets</b>			
Investment	3	4,404.40	4,204.01
Other financial assets	4	158.82	160.76
Income tax assets (net)		167.77	133.75
Deferred tax assets (net)	5	484.10	384.71
Other non-current assets	6	27.62	49.89
		<b>7,597.30</b>	<b>7,438.59</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	7	3,082.41	7,141.17
Trade receivables			
Billed	8	1,693.60	2,705.48
Unbilled		151.41	197.29
Cash and cash equivalents	9	1,932.98	512.76
Other bank balances	9	687.81	922.13
Other financial assets	10	63.76	205.80
Other current assets	11	988.55	961.04
		<b>8,600.52</b>	<b>12,645.67</b>
<b>Total-Assets</b>		<b>16,197.82</b>	<b>20,084.26</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	549.74	558.99
Other equity	27	11,659.64	15,330.22
		<b>12,209.38</b>	<b>15,889.21</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	13	577.24	799.71
Provisions	14	487.42	492.39
		<b>1,064.66</b>	<b>1,292.10</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	15	309.91	273.51
Trade payables	16		
Outstanding dues of micro enterprises and small enterprises		11.63	51.65
Outstanding dues of creditors other than micro enterprises and small enterprises		1,034.09	741.49
Other financial liabilities	17	693.96	1,091.98
Other current liabilities	18	483.13	401.03
Provisions	19	183.85	104.04
Income tax liabilities (net)		207.21	239.25
		<b>2,923.78</b>	<b>2,902.95</b>
<b>Total Equity and Liabilities</b>		<b>16,197.82</b>	<b>20,084.26</b>
Significant accounting policies	1		
Notes referred to above form an integral part of the standalone financial statements	2-41		

As per our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Swapnil Dakshindas**  
Partner  
Membership No. 113896

Place: Pune  
Date: 08 May 2023

For and on behalf of the Board of Directors of  
**Birlasoft Ltd.**  
CIN: L72200PN1990PLC059594

**Amita Birla**  
Chairman  
DIN: 00837718  
Place: New Delhi  
Date: 08 May 2023

**Sneha Padve**  
Company Secretary  
Place: Pune  
Date: 08 May 2023

**Angan Guha**  
CEO & Managing Director  
DIN: 09791436  
Place: Pune  
Date: 08 May 2023

**Kamini Shah**  
Chief Financial Officer  
Place: Pune  
Date: 08 May 2023

# Standalone Statement of Profit & Loss

for the year ended 31 March 2023

(Amount in ₹ million)

	Note	31 March 2023	31 March 2022
<b>Income</b>			
Revenue from operations	20	24,172.43	20,493.75
Other income (net)	21	341.71	741.32
<b>Total income</b>		<b>24,514.14</b>	<b>21,235.07</b>
<b>Expenses</b>			
Employee benefits expense	22	16,693.53	13,749.59
Finance costs	23	98.44	107.18
Depreciation and amortization expense	2	759.36	685.10
Other expenses	24	4,290.83	2,724.90
<b>Total expenses</b>		<b>21,842.16</b>	<b>17,266.77</b>
<b>Profit before tax</b>		<b>2,671.98</b>	<b>3,968.30</b>
<b>Tax expense</b>	37		
Current tax		732.71	931.24
Deferred tax (benefit)/charge		(64.37)	76.58
<b>Total tax expense</b>		<b>668.34</b>	<b>1,007.82</b>
<b>Profit for the year</b>		<b>2,003.64</b>	<b>2,960.48</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(4.58)	(35.26)
Income tax on items that will not be reclassified to profit or loss		1.15	8.88
Items that will be reclassified to profit or loss			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges		(139.13)	(101.51)
Income tax on items that will be reclassified to profit or loss		35.02	25.55
<b>Total other comprehensive income</b>		<b>(107.54)</b>	<b>(102.34)</b>
<b>Total comprehensive income for the year</b>		<b>1,896.10</b>	<b>2,858.14</b>
<b>Earnings per equity share (face value per share ₹ 2 each)</b>			
Basic	34	7.23	10.62
Diluted	34	7.20	10.49
Significant accounting policies	1		
Notes referred to above form an integral part of the standalone financial statements	2-41		

As per our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Swapnil Dakshindas**  
Partner  
Membership No. 113896

Place: Pune  
Date: 08 May 2023

For and on behalf of the Board of Directors of  
**Birlasoft Ltd.**  
CIN: L72200PN1990PLC059594

**Amita Birla**  
Chairman  
DIN: 00837718  
Place: New Delhi  
Date: 08 May 2023

**Sneha Padve**  
Company Secretary  
Place: Pune  
Date: 08 May 2023

**Angan Guha**  
CEO & Managing Director  
DIN: 09791436  
Place: Pune  
Date: 08 May 2023

**Kamini Shah**  
Chief Financial Officer  
Place: Pune  
Date: 08 May 2023

# Standalone Statement of Changes in Equity for the year ended 31 March 2023

	As at 31 March 2022	As at 31 March 2023
(Amount in ₹ million)		
<b>A Equity Share Capital</b>		
Balance at the beginning of the year	558.99	554.57
Buyback of shares	(15.60)	-
Issue of shares under share based payment scheme	6.35	4.42
<b>Balance at the end of the year</b>	<b>549.74</b>	<b>558.99</b>
<b>B Other equity</b>		

Particulars	Reserves & surplus				Items of other comprehensive income		Total	
	Share application money pending allotment	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 2021	0.46	40.00	4,291.36	199.62	51.40	8,736.13	(70.08)	127.39
Profit for the year	-	-	-	-	-	2,960.48	-	2,960.48
Other comprehensive income (net of tax)	-	-	-	-	-	-	(26.38)	(75.96)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	2,960.48	(26.38)	(75.96)
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 share based payment scheme	(79.42)	-	75.00	-	-	-	-	(4.42)
Transfer from share based payment reserve	-	-	92.65	(106.53)	-	13.88	-	-
<b>Balance as on 31 March 2022</b>	-	40.00	4,459.01	225.15	51.40	10,599.69	(96.46)	51.43
<b>Balance as on 1 April 2022</b>	-	40.00	4,459.01	225.15	51.40	10,599.69	(96.46)	51.43
Profit for the year	-	-	-	-	-	2,003.64	-	2,003.64
Other comprehensive income (net of tax)	-	-	-	-	-	-	(3.43)	(104.11)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	2,003.64	(3.43)	(104.11)
Transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(1,249.50)	-	(1,249.50)
Application money received during the year	129.17	-	-	-	-	-	-	129.17
Buyback of equity shares	-	15.60	(3,884.40)	-	-	(15.60)	-	(3,884.40)
Tax on buy-back of equity shares	-	-	-	-	-	(788.95)	-	(788.95)
Expenses for buy-back of equity shares	(129.17)	-	-	-	-	(55.40)	-	(55.40)
Issue of shares under share based payment scheme	-	-	122.82	-	-	-	-	(6.35)
Share based payments to employees	-	-	-	288.75	-	-	-	288.75
Transfer from share based payment Reserve	-	-	116.25	(116.25)	-	-	-	-
<b>Balance as on 31 March 2023</b>	-	55.60	813.68	397.65	51.40	10,493.88	(99.89)	(52.68)
Significant accounting policies	-	-	-	-	-	-	-	(11,659.64)

Notes referred to above form an integral part of the standalone financial statements

2-41

**As per our report of even date attached For and on behalf of the Board of Directors of Birlasoft Ltd.**  
 Chartered Accountants  
 Firm Registration No: 101248W/W-100022  
 CIN: L72200PN1990PLC059594

**Swapnil Dakshindas**  
 Partner  
 Membership No. 113896

Place: Pune  
 Date: 08 May 2023

**Amita Birla**  
 Chairman  
 DIN: 00837718  
 Place: New Delhi  
 Date: 08 May 2023

**Sneha Padve**  
 Company Secretary  
 Place: Pune  
 Date: 08 May 2023

**Angan Guha**  
 CEO & Managing Director  
 DIN: 09791436  
 Place: Pune  
 Date: 08 May 2023

**Kamini Shah**  
 Chief Financial Officer  
 Place: Pune  
 Date: 08 May 2023

## Standalone Statement of Cash Flows

For the year ended 31 March 2023  
 (Amount in ₹ million)

Particulars	31 March 2023	31 March 2022
<b>A] Cash Flow From Operating Activities</b>		
Profit for the year	2,003.64	2,960.48
<b>Adjustments for</b>		
Income tax expense	668.34	1,007.82
Loss/(Profit) on sale of property, plant and equipment and intangible assets (net)	7.67	(19.10)
Depreciation and Amortization expenses	759.36	685.10
Interest expense	98.44	107.18
Interest income	(179.76)	(317.41)
Dividend income	-	(0.44)
Gain on sale/redemption of mutual funds	(96.68)	(34.39)
Fair value (gain)/ loss on financial assets (investments) at fair value through profit or loss	(1.93)	(2.74)
Provision for doubtful debts and advances (net)	300.19	2.95
Bad debts written off	156.71	1.88
Share based compensation expenses	173.93	84.92
Unrealised foreign exchange loss	18.99	14.76
<b>Operating Profit before working capital changes</b>	<b>3,908.90</b>	<b>4,491.01</b>
<b>Adjustments for changes in working capital:</b>		
Trade receivables and unbilled revenue	593.75	(560.20)
Other financial assets and other assets	101.52	(230.93)
Trade Payables	261.63	154.98
Other financial liabilities, other liabilities and provisions	(300.55)	(231.40)
Cash generated from operations	4,565.25	3,623.46
Income taxes paid	(797.62)	(954.82)
<b>Net cash generated from operating activities (A)</b>	<b>3,767.63</b>	<b>2,668.64</b>
<b>B] Cash Flow From Investing Activities</b>		
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)	(551.03)	(603.91)
Proceeds from sale of property, plant and equipment	11.99	19.94
Purchase of bonds & index fund	(350.62)	(540.67)
Purchase of other investments	(29,058.30)	(15,809.41)
Sale of investments	33,365.90	14,414.88
Interest received	229.64	334.35
Dividend received	-	0.44
Bank Deposits placed	(2,181.55)	(2,368.90)
Proceeds from redemption of bank deposits	2,436.28	2,245.68
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>3,902.31</b>	<b>(2,307.60)</b>
<b>C] Cash Flow From Financing Activities</b>		
Proceeds from issue of share capital and application money	129.17	78.96
Buyback of equity shares	(3,900.00)	-
Tax on buyback of equity shares	(788.95)	-
Expenses for buyback of equity shares	(55.40)	-
Repayment of lease liabilities (Refer note 4)	(362.90)	(344.72)

(Amount in ₹ million)

Particulars	31 March 2023	31 March 2022
Dividend paid	(1,249.50)	(1,110.82)
Interest and finance charges paid	(11.29)	(12.99)
<b>Net cash used in financing activities (C)</b>	<b>(6,238.87)</b>	<b>(1,389.57)</b>
<b>D] Exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>(10.85)</b>	<b>(19.58)</b>
<b>Net Increase /(decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>1,420.22</b>	<b>(1,048.11)</b>
Cash and cash equivalents at end of the year (refer note 1 below)	1,932.98	512.76
Cash and cash equivalents at beginning of the year (refer note 1 below)	512.76	1,560.87
<b>Net (decrease)/increase in cash and cash equivalents during the year</b>	<b>1,420.22</b>	<b>(1,048.11)</b>
<b>Note 1:</b>		
Cash and cash equivalents include:		
Cheques in Hand	1.60	0.02
Balance with banks		
- In current accounts	526.49	510.56
- In deposit account (with original maturity of 3 months or less)	1,404.89	2.18
<b>Total Cash and cash equivalents</b>	<b>1,932.98</b>	<b>512.76</b>
<b>Note 2:</b>		
Figures in brackets represent outflows of cash and cash equivalents.		
<b>Note 3:</b>		
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.		
<b>Note 4: Reconciliation of liabilities from financing activities</b>		
Balance at the beginning of the year	1,073.22	1,095.80
Repayment of lease liabilities	(362.90)	(344.22)
Non-cash changes (including effects of unrealised foreign exchange)	176.83	321.64
<b>Closing balance at the end of the year</b>	<b>887.15</b>	<b>1,073.22</b>

**As per our report of even date attached  
For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Swapnil Dakshindas**  
Partner  
Membership No. 113896

Place: Pune  
Date: 08 May 2023

**For and on behalf of the Board of Directors of  
Birlasoft Ltd.**  
CIN: L72200PN1990PLC059594

**Amita Birla**  
Chairman  
DIN: 00837718  
Place: New Delhi  
Date: 08 May 2023

**Sneha Padve**  
Company Secretary  
Place: Pune  
Date: 08 May 2023

**Angan Guha**  
CEO & Managing Director  
DIN: 09791436  
Place : Pune  
Date: 08 May 2023

**Kamini Shah**  
Chief Financial Officer  
Place: Pune  
Date: 08 May 2023

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

### 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 08 May 2023.

### 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. 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,

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

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. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

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.

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

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

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 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-

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

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.

## 1.4 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.

## 1.5 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 are amortised over shorter of useful lives and period of lease.

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

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.

The management's estimates of the useful lives of various intangible assets for computing amortization are as follows:

Type of asset	Useful life (No. of years)
Product Development cost (internally generated)	3-4
Perpetual Software License	4
Time based software license	License period

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## 1.6 Impairment

### a. Financial assets

The Company 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 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.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

## 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.

## 1.7 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 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.

## 1.8 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



# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

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.

## 1.9 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.

## 1.10 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.

### 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.

## 1.11 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

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

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.

## 1.12 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 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.

## 1.13 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.

## 1.14 Share based payment

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.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

## 1.15 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

## 1.16 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 unless those contain a significant financing component determined in accordance with Ind AS 115. 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.

#### 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.

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 foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

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 significant 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.

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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the 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

## Notes forming part of the standalone financial statements for the year ended 31 March 2023

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.

### 1.17 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.

### 1.18 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.

### 1.19 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 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.

### 1.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April

## Notes forming part of the standalone financial statements for the year ended 31 March 2023

2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

#### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the

amendment and there is no impact on its Standalone financial statements.

#### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statement.

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 2A Property, plant and equipment

	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross carrying amount as at 1 April 2021</b>	<b>388.87</b>	<b>1,004.53</b>	<b>1,354.79</b>	<b>126.47</b>	<b>5.62</b>	<b>345.34</b>	<b>3,225.62</b>
Additions	-	9.35	522.40	-	2.63	63.00	597.38
Disposal/retirements/derecognition	-	-	39.92	2.13	-	17.16	59.21
<b>Gross carrying amount as at 31 March 2022</b>	<b>388.87</b>	<b>1,013.88</b>	<b>1,837.27</b>	<b>124.34</b>	<b>8.25</b>	<b>391.18</b>	<b>3,763.79</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>126.10</b>	<b>520.06</b>	<b>1,100.54</b>	<b>93.85</b>	<b>5.23</b>	<b>206.95</b>	<b>2,052.73</b>
Depreciation	20.63	133.20	167.55	10.24	0.21	28.19	360.02
Disposal/retirements/derecognition	-	-	39.76	2.03	-	16.58	58.37
<b>Accumulated depreciation as at 31 March 2022</b>	<b>146.73</b>	<b>653.26</b>	<b>1,228.33</b>	<b>102.06</b>	<b>5.44</b>	<b>218.56</b>	<b>2,354.38</b>
<b>Gross carrying amount as at 1 April 2022</b>	<b>388.87</b>	<b>1,013.88</b>	<b>1,837.27</b>	<b>124.34</b>	<b>8.25</b>	<b>391.18</b>	<b>3,763.79</b>
Additions	4.61	0.47	341.31	0.03	-	55.15	401.57
Disposal/retirements/derecognition	1.87	-	78.68	0.04	1.63	12.21	94.43
<b>Gross carrying amount as at 31 March 2023</b>	<b>391.61</b>	<b>1,014.35</b>	<b>2,099.90</b>	<b>124.33</b>	<b>6.62</b>	<b>434.12</b>	<b>4,070.93</b>
<b>Accumulated depreciation as at 1 April 2022</b>	<b>146.73</b>	<b>653.26</b>	<b>1,228.33</b>	<b>102.06</b>	<b>5.44</b>	<b>218.56</b>	<b>2,354.38</b>
Depreciation	20.64	119.75	258.50	9.54	0.56	31.02	440.01
Disposal/retirements/derecognition	0.59	-	78.04	0.04	1.47	7.82	87.96
<b>Accumulated depreciation as at 31 March 2023</b>	<b>166.78</b>	<b>773.01</b>	<b>1,408.79</b>	<b>111.56</b>	<b>4.53</b>	<b>241.76</b>	<b>2,706.43</b>
<b>Carrying amount as at 31 March 2022</b>	<b>242.14</b>	<b>360.62</b>	<b>608.94</b>	<b>22.28</b>	<b>2.81</b>	<b>172.62</b>	<b>1,409.41</b>
<b>Carrying amount as at 31 March 2023</b>	<b>224.83</b>	<b>241.34</b>	<b>691.11</b>	<b>12.77</b>	<b>2.09</b>	<b>192.36</b>	<b>1,364.50</b>

### 2B Right-of-use assets

	Office Premises	Land	Total
<b>Gross carrying amount as at 1 April 2021</b>	<b>1,458.97</b>	<b>75.16</b>	<b>1,534.13</b>
Additions	236.41	-	236.41
Disposal/retirements/derecognition	146.25	-	146.25
<b>Gross carrying amount as at 31 March 2022</b>	<b>1,549.13</b>	<b>75.16</b>	<b>1,624.29</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>513.80</b>	<b>14.35</b>	<b>528.15</b>
Depreciation	265.72	2.48	268.20
Disposal/retirements/derecognition	146.25	-	146.25
<b>Accumulated depreciation as at 31 March 2022</b>	<b>633.27</b>	<b>16.83</b>	<b>650.10</b>
<b>Gross carrying amount as at 1 April 2022</b>	<b>1,549.13</b>	<b>75.16</b>	<b>1,624.29</b>
Additions	101.32	-	101.32
Disposal/retirements/derecognition	3.77	28.86	32.63
<b>Gross carrying amount as at 31 March 2023</b>	<b>1,646.68</b>	<b>46.30</b>	<b>1,692.98</b>
<b>Accumulated depreciation as at 1 April 2022</b>	<b>633.27</b>	<b>16.83</b>	<b>650.10</b>
Depreciation	270.17	2.48	272.65
Disposal/retirements/derecognition	2.50	15.53	18.03
<b>Accumulated depreciation as at 31 March 2023</b>	<b>900.94</b>	<b>3.78</b>	<b>904.72</b>
<b>Carrying amount as at 31 March 2022</b>	<b>915.86</b>	<b>58.33</b>	<b>974.19</b>
<b>Carrying amount as at 31 March 2023</b>	<b>745.74</b>	<b>42.52</b>	<b>788.26</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 2C Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
<b>Gross carrying amount as at 1 April 2021</b>	<b>158.89</b>	<b>824.16</b>	<b>983.05</b>
Additions	-	45.51	45.51
Disposal/retirements/derecognition	-	12.52	12.52
<b>Gross carrying amount as at 31 March 2022</b>	<b>158.89</b>	<b>857.15</b>	<b>1,016.04</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>150.35</b>	<b>727.85</b>	<b>878.20</b>
Depreciation	8.39	48.49	56.88
Disposal/retirements/derecognition	-	12.52	12.52
<b>Accumulated depreciation as at 31 March 2022</b>	<b>158.74</b>	<b>763.82</b>	<b>922.56</b>
<b>Gross carrying amount as at 1 April 2022</b>	<b>158.89</b>	<b>857.15</b>	<b>1,016.04</b>
Additions	57.31	32.79	90.10
Disposal/retirements/derecognition	133.99	400.24	534.23
<b>Gross carrying amount as at 31 March 2023</b>	<b>82.21</b>	<b>489.70</b>	<b>571.91</b>
<b>Accumulated depreciation as at 1 April 2022</b>	<b>158.74</b>	<b>763.82</b>	<b>922.56</b>
Depreciation	1.30	45.40	46.70
Disposal/retirements/derecognition	133.99	400.24	534.23
<b>Accumulated depreciation as at 31 March 2023</b>	<b>26.05</b>	<b>408.98</b>	<b>435.03</b>
<b>Carrying amount as at 31 March 2022</b>	<b>0.15</b>	<b>93.33</b>	<b>93.48</b>
<b>Carrying amount as at 31 March 2023</b>	<b>56.16</b>	<b>80.72</b>	<b>136.88</b>

### 2D Capital work in Progress & Intangible assets under development

	31 March 2023	31 March 2022
Capital work in progress	64.95	16.99
Intangible assets under development	-	11.40

- All the items in capital work in progress are less than one year as at 31st March 2023 and 31st March 2022.
- 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 2023 and 31st March 2022.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 3 Investment

	31 March 2023	31 March 2022
<b>Investment in subsidiaries</b>		
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]		
<b>Investments in bonds (valued at amortized cost)(unquoted)</b>		
NABARD Bonds	100.17	100.17
Kotak Bonds	99.32	199.32
Sundaram Bond	100.00	100.00
L&T Bonds	201.79	101.18
Bajaj Finance	49.78	-
<b>Investments in Index funds measured at amortised cost (quoted)</b>		
3,938,206 Units (Previous Year 3,938,206 units)-ABSL Nifty SDL PSU Bond Sep 2026 RG	40.00	40.00
9,645,975 Units (Previous Year Nil units)-SBI CPSE BP SDL Sep 2026 50:50 Index- Regular-Growth	100.00	-
4,859,505 units (Previous Year Nil units)-Kotak Nifty SDL Apr 2027 Index Regular Growth	50.00	-
	<b>4,404.40</b>	<b>4,204.01</b>
<b>Note:</b>		
Aggregate Market value of quoted investment	191.71	40.04
Aggregate value of quoted investment	190.00	40.00
Aggregate value of unquoted investment	4,214.40	4,164.01

\* Since denominated in ₹ Million

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 4 Other financial assets

(Unsecured, considered good unless otherwise stated)

	31 March 2023	31 March 2022
Security deposits	154.43	127.98
Fixed deposits with banks	1.76	19.93
Interest accrued	2.63	12.85
	<b>158.82</b>	<b>160.76</b>

**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 2023	31 March 2022
<b>Deferred tax assets</b>		
- Provision for doubtful debts and advances	167.51	60.72
- Provision for compensated absences	73.71	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	71.94	81.86
- Provision for doubtful deposits	2.41	-
- Transaction Cost	0.17	54.64
- Lease restoration costs	1.06	-
- Provision for Indirect tax	0.03	0.03
- Bonus Payable	3.36	3.36
- Right of Use Assets	223.30	270.11
- Others (mainly includes employee related provision)	13.54	14.43
- Other provisions	7.21	0.99
- Forward contracts designated as cash flow hedges	17.72	-
- Trade deposits at Fair value	6.38	-
	<b>673.78</b>	<b>634.02</b>
<b>Deferred tax liabilities</b>		
- Forward contracts designated as cash flow hedges	-	17.30
- Right-of-use assets	187.70	230.52
- Investments in MF at fair value through Profit and Loss Account	1.98	1.49
	<b>189.68</b>	<b>249.31</b>
<b>Net deferred tax asset</b>	<b>484.10</b>	<b>384.71</b>

## 6 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	31 March 2023	31 March 2022
Capital advances	3.90	-
Prepaid expenses	4.58	2.28
Contract Fulfillment Cost	19.14	47.61
	<b>27.62</b>	<b>49.89</b>

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 7 Current investments

	31 March 2023	31 March 2022
<b>Investments in equity instruments of other entities measured at fair value through Profit or Loss (unquoted)</b>		
Saraswat Co-operative Bank Limited	-	0.00*
Nil (Previous year 1) equity share of ₹ 10 each fully paid up		
<b>Investments in Mutual funds measured at fair value through Profit or Loss (quoted)</b>		
83,899 Units (Previous Year Nil units)-UTI Liquid Cash Plan - Regular Plan Growth	307.36	-
17,407 Units (Previous Year Nil units)-Invesco India Liquid Fund - Growth	53.41	-
18,824 Units (Previous Year Nil units)-Mirae Asset Cash Management Plan	44.08	-
462,008 units (Previous year Nil units)-ICICI Prudential Liquid Fund -Direct Plan Growth	152.76	-
128,155 Units (Previous Year Nil units)-HSBC Liquid Fund	285.32	-
19,718 Units (Previous Year Nil units)-DSP Liquidity Fund	62.86	-
40,155 Units (Previous Year 5,943,328 units)-SBI Saving Fund -Regular Growth	140.39	200.25
Nil units (Previous Year 26,530 units)-Kotak Overnight Fund Growth	-	30.00
Nil units (Previous year 1,069,594 units)-ICICI Prudential Money Market Fund-Growth	-	325.41
Nil Units (Previous Year 730,053 units)-Aditya Birla Sun Life Saving Fund - Growth	-	321.46
Nil Units (Previous Year 29,692,224 units)-HDFC Ultra Short Term Fund -Regular Growth	-	364.55
<b>Investments in bonds measured at amortised cost (unquoted)</b>		
Axis Finance Limited	50.23	-
Kotak Bonds	100.00	-
<b>Term deposits with financial institutions (carried at amortised cost) (unquoted)</b>	1,886.00	5,899.50
	<b>3,082.41</b>	<b>7,141.17</b>
<b>Note:</b>		
Aggregate value of quoted investment	1,046.18	1,241.67
Aggregate market value of quoted investment	1,046.18	1,241.67
Aggregate value of unquoted investment	2,036.23	5,899.50

\* Since denominated in ₹ Million

**Note:**

The details of aggregate value of quoted/unquoted investments and the Company's exposure to liquidity risk and credit risk are disclosed in note 25.

## 8 Trade receivables

**(Unsecured)**

	31 March 2023	31 March 2022
<b>Billed</b>		
Trade Receivables considered good	1,693.60	2,705.48
Trade Receivables - credit impaired	508.42	208.40
	<b>2,202.02</b>	<b>2,913.88</b>
<b>Less: Allowances for bad and doubtful trade receivables</b>	508.42	208.40
	<b>1,693.60</b>	<b>2,705.48</b>

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

**Notes:**

(i) Trade receivables from related parties are disclosed in note 26.

(ii) The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 25.

**Ageing of Trade Receivables as on 31st March 2023 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	
<b>Trade Receivables - Billed</b>						
Undisputed - considered good	1,965.19	127.27	41.20	17.50	2.03	2,153.19
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed - credit impaired	32.91	-	-	-	-	32.91
Disputed - considered good	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - credit impaired	6.37	-	-	9.55	-	15.92
	<b>2,004.47</b>	<b>127.27</b>	<b>41.20</b>	<b>27.05</b>	<b>2.03</b>	<b>2,202.02</b>
<b>Less : Allowance for bad and doubtful receivables billed</b>						(508.42)
						<b>1,693.60</b>
<b>Trade Receivables - Unbilled</b>						151.41
						<b>1,845.01</b>

**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	
<b>Trade Receivables - Billed</b>						
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	-	-	-	-	-	-
	<b>2,522.53</b>	<b>292.13</b>	<b>38.37</b>	<b>56.86</b>	<b>3.99</b>	<b>2,913.88</b>
<b>Less : Allowance for bad and doubtful receivables billed</b>						(208.40)
						<b>2,705.48</b>
<b>Trade Receivables - Unbilled</b>						197.29
						<b>2,902.77</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 9 Cash and bank balances

	31 March 2023	31 March 2022
<b>Balances with banks</b>		
- In current accounts	526.49	510.56
- In deposit accounts(with original maturity of 3 months or less)	1,404.89	2.18
<b>Cheques in hand</b>	1.60	0.02
	<b>1,932.98</b>	<b>512.76</b>
<b>Other bank balances</b>		
- Current Account (unclaimed dividend)	10.40	8.16
- Current Account (CSR)	8.00	-
- Deposit Account with remaining maturity of less than 12 months (Refer note ii below)	669.41	913.97
	<b>687.81</b>	<b>922.13</b>
	<b>2,620.79</b>	<b>1,434.89</b>

**Note:**

- (i) Information about the Company's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25.
- (ii) Bank deposits include ₹ 74.46 million (previous year ₹ 50.85 million) held as deposits against bank guarantees.
- (iii) 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 2023	31 March 2022
Security deposits	1.23	23.72
Interest accrued	48.99	88.65
Forward contracts		
- designated as cash flow hedge	-	68.73
Receivable from Subsidiaries (Refer note 26)	13.28	24.41
Other Receivable	0.26	0.29
	<b>63.76</b>	<b>205.80</b>

**Note:**

- (i) 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 2023	31 March 2022
Contract assets -from fixed price contracts (Refer note 29(b))	61.30	87.02
Advance to suppliers	43.23	24.88
Employee Advances	13.34	26.75
Balances with statutory authorities	499.95	392.03
Prepaid expenses	297.10	368.80
Contract Fulfillment Cost	73.63	61.56
	<b>988.55</b>	<b>961.04</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 12 Equity share capital

	31 March 2023	31 March 2022
<b>Authorised:</b>		
870,000,000 (Previous year 870,000,000) equity shares of ₹ 2 each.	1,740.00	1,740.00
	<b>1,740.00</b>	<b>1,740.00</b>
<b>Issued subscribed and fully paid up:</b>		
274,870,547 (Previous year 279,496,082) equity shares of ₹ 2 each fully paid up.	549.74	558.99
	<b>549.74</b>	<b>558.99</b>

**12.1** 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.

**12.2** The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2023 by the Board of Directors in their meeting held on 8 May 2023 is ₹ 2/- per share (Previous year ₹ 3.00 per share) and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The amount of per share dividend recognized as distribution during the year to equity shareholders is as follows:

	31 March 2023	31 March 2022
Interim dividend for FY 2022-2023	1.50	-
Final dividend for FY 2021-2022	3.00	-
Interim dividend for FY 2021-2022	-	1.50
Final dividend for FY 2020-2021	-	2.50

**12.3** The Board of Directors at its meeting held on 23 May 2022, had 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, on a proportionate basis through the tender offer route using the Stock Exchange mechanism ('Buyback'). Subsequently, the members of the Company approved the Buyback through postal ballot by e-voting on 30 June 2022. Letter of Offer was sent to eligible members holding shares as on the record date i.e. 15 July 2022. The tendering period for the Buyback was concluded on 26 August 2022. The Company bought back 7,800,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on 6 September 2022. Capital redemption reserve of ₹ 15.6 million was created to the extent of share capital extinguished. Premium on buyback of ₹ 3,884.4 million was utilised from securities premium reserve. The transaction cost of buy-back of ₹ 55.4 million and corresponding tax on buy-back of ₹ 788.95 million were offset from retained earnings.

**12.4** 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.

#### 12.5 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	₹ in million	Number of shares	₹ in million
<b>Equity shares</b>				
At the beginning of the year	279,496,082	558.99	277,286,094	554.57
<b>Less:</b> Shares extinguished on Buy-back	(7,800,000)	(15.60)	-	-
<b>Add :</b> Issue of shares under share based payment scheme	3,174,465	6.35	2,209,988	4.42
<b>Outstanding at the end of the year</b>	<b>274,870,547</b>	<b>549.74</b>	<b>279,496,082</b>	<b>558.99</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 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 2023	% of shares held	Number of shares as at 31 March 2022	% of shares held
National Engineering Industries Limited	107,736,274	39.20%	107,736,274	38.55%

### 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 2023	% of shares held	Number of shares as at 31 March 2022	% of shares held	% change during the year
National Engineering Industries Limited*	107,736,274	39.20%	107,736,274	38.55%	0.65%
Central India Industries Ltd*	5,169,511	1.88%	5,169,511	1.85%	0.03%

\*% change due to ESOP allotment &amp; Buyback of shares during the year.

### 12.8 In the period of five years immediately preceding reporting date, aggregate number of equity shares:

	31 March 2023	31 March 2022
Issued for consideration other than cash (pursuant to Composite scheme of arrangement)	76,645,066	76,645,066
Bought back	7,800,000	-

### 12.9 Shares reserved for issue under options

Details of shares reserved under share based payment plans is disclosed in note 36.

### 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 2023	31 March 2022
Lease liabilities (Refer note 33)	577.24	799.71
	<b>577.24</b>	<b>799.71</b>

#### 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 2023	31 March 2022
<b>Provision for employee benefits</b>		
- Compensated absences	195.45	186.82
- Gratuity fund plan liabilities (Refer note 31(2))	287.74	301.65
<b>Other provisions</b>		
- Provision for lease restoration costs (Refer Note 35(2))	4.23	3.92
	<b>487.42</b>	<b>492.39</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 15 Lease liabilities - current

	31 March 2023	31 March 2022
Lease liabilities (Refer note 33)	309.91	273.51
	<b>309.91</b>	<b>273.51</b>

#### Notes:

(i) Information about the Company's exposure to foreign currency risk, interest rate risk and liquidity risk is disclosed in note 25.

### 16 Trade payables

	31 March 2023	31 March 2022
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 28)	11.63	51.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,034.09	741.49
	<b>1,045.72</b>	<b>793.14</b>

#### Notes:

(i) Information about the Company's exposure to foreign currency risk and liquidity risk is disclosed in note 25.

#### Ageing of Trade Payables as on 31st March 2023 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*	-	11.63	-	-	-	11.63
Disputed due - Other	-	-	-	-	-	-
Other	-	209.01	25.89	-	-	234.90
Accrued expenses	799.19	-	-	-	-	799.19
<b>Total</b>	<b>799.19</b>	<b>220.64</b>	<b>25.89</b>	-	-	<b>1,045.72</b>

#### 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
<b>Total</b>	<b>613.99</b>	<b>171.53</b>	<b>1.20</b>	<b>6.32</b>	<b>0.10</b>	<b>793.14</b>

\*MSME as per Micro Small and Medium Enterprises Development Act, 2006



## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 17 Other current financial liabilities

	31 March 2023	31 March 2022
Accrued employee costs	572.86	1,051.46
Unclaimed dividend	10.40	8.16
Payables in respect of Property, Plant and Equipment and intangible assets (Refer note 28)	1.68	19.74
Security deposits	0.43	0.43
Payable to subsidiaries (Refer note 26)	37.19	12.19
Forward contracts designated as cash flow hedges	70.40	-
Other payable	1.00	-
	<b>693.96</b>	<b>1,091.98</b>

#### Note:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 25.

### 18 Other current liabilities

	31 March 2023	31 March 2022
Unearned revenue	32.66	52.62
Advances from customers	22.01	31.20
Statutory remittances	428.46	317.21
	<b>483.13</b>	<b>401.03</b>

### 19 Provisions - current

	31 March 2023	31 March 2022
<b>Provision for employee benefits</b>		
- Compensated absences	97.41	61.27
- Gratuity fund plan liabilities (Refer note 31 (2))	86.44	42.77
	<b>183.85</b>	<b>104.04</b>

### 20 Revenue from operations

	31 March 2023	31 March 2022
Software services (Refer note 29)	24,172.43	20,493.75
	<b>24,172.43</b>	<b>20,493.75</b>

### 21 Other income

	31 March 2023	31 March 2022
Interest income	179.76	317.41
Dividend income from current investments	-	0.44
Profit on sale of property, plant and equipment and intangible assets (net)	-	19.10
Gain on sale/ redemption of mutual funds (net)	96.68	34.39
Fair value gain on financial assets (investments) at fair value through profit or loss	1.93	2.74
Foreign exchange gain (net)	59.77	360.32
Other non operating income (net of expenses directly attributable to such income)	3.57	6.92
	<b>341.71</b>	<b>741.32</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 22 Employee benefits expense

	31 March 2023	31 March 2022
Salaries, wages and incentives	15,840.39	13,122.72
Contribution to provident fund (Refer note 31(1))	626.90	502.08
Share based compensation to employees (Refer note 36)	173.93	84.92
Staff welfare expenses	52.31	39.87
	<b>16,693.53</b>	<b>13,749.59</b>

### 23 Finance costs

	31 March 2023	31 March 2022
Interest on lease liabilities	87.15	94.19
Other interest expense	11.29	12.99
	<b>98.44</b>	<b>107.18</b>

### 24 Other expenses

	31 March 2023	31 March 2022
Travel and overseas expenses (net)	203.57	71.40
Transport and conveyance (net)	37.08	11.42
Cost of service delivery (net)	464.18	401.09
Cost of professional sub-contracting (net)	491.80	394.31
Recruitment and training expenses	407.81	378.78
Power and fuel	68.23	64.08
Rent (Refer note 33)	9.79	10.13
Repairs and maintenance		
- buildings	158.27	98.66
- plant and equipment	556.64	380.52
- others	128.58	130.96
Insurance	36.24	26.26
Rates and taxes	17.73	11.13
Communication expenses (net)	88.99	81.63
Legal and professional fees	929.70	422.70
Marketing expenses	17.34	12.14
Loss on sale of property, plant and equipment and intangible assets (net)	7.60	-
Printing and stationery	9.41	5.66
Auditors remuneration (net of taxes)		
- Audit fees	10.00	10.00
- Limited review of quarterly results	2.50	2.50
- Fees for other services	0.90	0.68
- Out of pocket expenses reimbursed	0.09	0.03
Bad debts written off	156.71	1.88
Provision for doubtful debts and advances (net)	300.19	2.95
Contributions towards corporate social responsibility (Refer note 40)	60.41	49.14
Miscellaneous expenses (net)	127.07	156.85
	<b>4,290.83</b>	<b>2,724.90</b>

#### Note

Certain expenses are net of recoveries/ reimbursements from customers.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(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 2023 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		
<b>Financial Assets</b>							
Investments (Other than Subsidiaries)	2,777.29	-	1,046.18	-	-	3,823.47	3,823.47
Trade receivables	1,693.60	-	-	-	-	1,693.60	1,693.60
Cash and cash equivalents	1,932.98	-	-	-	-	1,932.98	1,932.98
Other balances with banks	687.81	-	-	-	-	687.81	687.81
Unbilled revenue	151.41	-	-	-	-	151.41	151.41
Other financial assets	222.58	-	-	-	-	222.58	222.58
<b>Total Financial Assets</b>	<b>7,465.67</b>	-	<b>1,046.18</b>	-	-	<b>8,511.85</b>	<b>8,511.85</b>
<b>Financial Liabilities</b>							
Lease liabilities	887.15	-	-	-	-	887.15	887.15
Trade payables	1,045.72	-	-	-	-	1,045.72	1,045.72
Other financial liabilities	623.56	-	-	-	70.40	693.96	693.96
<b>Total Financial Liabilities</b>	<b>2,556.43</b>	-	-	-	<b>70.40</b>	<b>2,626.83</b>	<b>2,626.83</b>

The carrying value and fair value of financial instruments by categories as on 31 March 2022 were 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		
<b>Financial Assets</b>							
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
<b>Total Financial Assets</b>	<b>11,075.66</b>	-	<b>1,241.67</b>	-	<b>68.73</b>	<b>12,386.06</b>	<b>12,386.06</b>
<b>Financial Liabilities</b>							
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
<b>Total Financial Liabilities</b>	<b>2,958.34</b>	-	-	-	-	<b>2,958.34</b>	<b>2,958.34</b>

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(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 2023 :

Particulars	As at 31 March 2023	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in Mutual funds and Index Funds(quoted)	1,236.18	1,236.18	-	-
Investments in Bonds (unquoted)	701.29	-	701.29	-
Investments in Term deposits(unquoted)	1,886.00	-	1,886.00	-
Forward contract (Liability) designated as cash flow hedge	(70.40)	-	(70.40)	-
Lease Liabilities	887.15	-	887.15	-

The following table presents fair value hierarchy of assets and liabilities measured as on 31 March 2022 :

Particulars	As at 31 March 2022	Fair value measurement as at		
		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.

## 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 ₹ 1693.6 million and ₹ 2705.48 million and unbilled revenue amounting to ₹ 151.41 million and ₹ 197.29 million as on 31 March 2023 and 31 March 2022 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.

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

### 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 2023	31 March 2022
Balance at the beginning of the year	208.40	202.78
Change during the year	446.81	1.08
Bad debts written off	156.71	1.88
Translation exchange difference	9.92	2.66
<b>Balance at the end of the year</b>	<b>508.42</b>	<b>208.40</b>

### iii. Cash and bank balances

The Company held cash and bank balances of ₹ 2674.17 million and ₹ 1556.32 million as on 31 March 2023 and 31 March 2022 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 Mar 23 and 31st Mar 22.

### v. Investment

The Company invests surplus funds in mutual fund schemes, bonds and fixed deposits. 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.

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The liquidity position at each reporting date is given below:

Particulars	31 March 2023	31 March 2022
Cash and cash equivalents	1,932.98	512.76
Other balances with banks (excluding unclaimed dividend)	669.41	913.97
Investments in Mutual funds and Index Funds (quoted) (non-trade)	1,236.18	1,281.67
Investments in term deposits(unquoted)	1,886.00	5,899.50
Investments in bonds (Unquoted)(non-trade)	701.29	500.67
Fixed deposits with banks including interest accrued	53.38	121.43
<b>Total</b>	<b>6,479.24</b>	<b>9,230.00</b>

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023.

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Trade payables	1,045.72	-	-	-	-	1,045.72
Lease liabilities on undiscounted basis	375.76	289.68	278.68	15.81	50.48	1,010.41
Other financial liabilities	693.96	-	-	-	-	693.96

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	1,231.61
Other financial liabilities	1,091.98	-	-	-	-	1,091.98

### 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.

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### Exposure to Currency Risk

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2023 (Amount in ₹ million):

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Other financial assets (including unbilled revenue)	0.58	-	0.03	-	0.61
Trade receivables	146.85	16.52	639.17	139.36	941.90
Cash and cash equivalents	20.65	10.91	3.62	-	35.18
Trade payables	(0.03)	(1.00)	(3.00)	(16.81)	(20.84)
Other financial liabilities	(4.50)	(4.89)	(0.73)	(2.00)	(12.12)
<b>Net assets/(liabilities)</b>	<b>163.55</b>	<b>21.54</b>	<b>639.09</b>	<b>120.55</b>	<b>944.11</b>

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2022 (Amount in ₹ million):

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
Other financial assets (including 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)
<b>Net assets/(liabilities)</b>	<b>876.16</b>	<b>385.93</b>	<b>488.21</b>	<b>63.88</b>	<b>1,814.18</b>

For the year ended 31 March 2023, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.30 % / (0.30) %.

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) %.

### 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:

Particulars	31st March 2023		31st March 2022	
	Foreign Currency	₹	Foreign Currency	₹
EUR	6.44	573.99	2.75	249.15
USD	92.00	7,559.15	93.90	7,277.81
GBP	6.45	653.63	4.95	519.75

The forward contracts entered have maturity between 30 days to 11 months from the Balance Sheet date.

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The movement in the hedging reserve for derivatives, which have been designated as Cash Flow Hedges, is as follows:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	51.43	127.39
Gains/(losses) recognised in Other Comprehensive Income	(139.13)	(101.51)
Deferred tax on fair value of effective portion of cash flow hedges	35.02	25.55
Balance at the end of the year	(52.68)	51.43

### 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 2023	31 March 2022
Fixed rate instruments		
Financial assets	2,677.35	936.08

**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
<b>Subsidiary Companies (Direct holding)</b>	Birlasoft Solutions Inc
	Birlasoft Solutions France
	Birlasoft Computer Corporation, USA
	Birlasoft Solutions ME FZE
	Birlasoft Solutions Limited
	Birlasoft Sdn Bhd
	Birlasoft Inc.
<b>Subsidiary Companies (Indirect holding)</b>	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 Ltd.)
	Birlasoft GmbH

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Relationship	Name of related party
	Birlasoft (UK) Limited ( Subsidiary of Birlasoft Inc)
	Birlasoft Solutions Mexico, S.A. DE C.V. (Subsidiary of Birlasoft Solutions Inc, USA)
	Enable Path LLC (Subsidiary of Birlasoft Inc.)
<b>Enterprise having significant influence over the entity</b>	National Engineering Industries Limited
<b>Public Company in which a director is a director and holds, along with his relatives, grater than 2% of its paid-up share capital</b>	Orient Cement Limited Orient Electric Limited

## B. List of Key Management Personnel

Key Management Personnel ('KMP')	Name	Designation
	Mrs. Amita Birla	Chairperson and Non-Executive Director
	Mr. Chandrakant Birla	Non-Executive Director
	Mr. Anant Talaulicar (upto 20 October 2022)	Independent Director
	Ms. Alka Bharucha	Independent Director
	Mr. Ashok Kumar Barat	Independent Director
	Mr. Ananth Sankaranarayanan (w.e.f. 2 February 2023)	Independent Director
	Ms. Nandita Gurjar	Independent Director
	Mr. Dharmander Kapoor (upto 30 November 2022)	Chief Executive Officer & Managing Director
	Mr. Angan Guha (w.e.f. 1 December 2022)	Chief Executive Officer & Managing Director
	Mr. Chandrasekar Thyagarajan (upto 2 February 2023)	Chief Financial Officer
	Ms. 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 with whom there are transactions 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 previous year, Birlasoft GmbH, a wholly owned step-down subsidiary of the Company has been liquidated.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## E. Transactions with related parties

Particulars	Subsidiary Companies		Directors interested companies		KMP		Relatives of Director's and KMP's		Others		Total 31 March 2023	Total 31 March 2022
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022		
<b>I Transaction during the year</b>												
Sales	20,618.98	16,571.57	26.92	12.41	-	-	-	-	7.66	8.57	20,653.56	16,592.55
Software Service Charges	31.44	40.95	-	-	-	-	-	-	-	-	31.44	40.95
Reimbursement of Expenses	122.94	18.38	-	-	0.38	0.20	-	-	32.32	-	155.64	18.58
Other Expenses	-	-	-	-	-	-	-	-	60.42	51.26	60.42	51.26
Dividend	-	-	-	-	3.48	2.42	-	-	508.07	451.63	511.55	454.05
Advance (Net)	8.84	19.49	-	-	-	-	-	-	-	-	8.84	19.49
Remuneration to KMPs (including salary, perquisites, employment benefit plans)	-	-	-	-	474.69	244.18	0.40	0.36	-	-	475.09	244.54
Commission and sitting fees paid	-	-	-	-	23.45	22.10	-	-	-	-	23.45	22.10
<b>II Outstanding Balance at year end</b>												
Trade Receivable	1,104.54	1,697.37	8.13	2.58	-	-	-	-	-	2.14	1,112.67	1,702.09
Trade Payable	51.34	37.29	-	-	-	-	-	-	-	-	51.34	37.29
Other Receivable / (Payable)	-	-	-	-	1.62	1.80	-	-	(40.29)	0.21	(38.67)	2.01
Loans and Advances	(23.92)	11.97	-	-	-	-	-	-	-	-	(23.92)	11.97
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 March 2023	31 March 2022
Subsidiary Companies	Sales	Birlasoft Solutions Inc.	7,855.26	5,903.38
		Birlasoft Computer Corporation, USA	1,177.68	1,097.89
		Birlasoft Inc.	8,024.22	6,466.08
			<b>17,057.16</b>	<b>13,467.35</b>

## G. Related party transactions with others

Relationship	Transaction	Related party name	31 March 2023	31 March 2022
Directors interested companies	Sales	Orient Cement Limited	1.71	1.17
		Orient Electric Limited	25.21	11.24
			<b>26.92</b>	<b>12.41</b>
KMP	Reimbursement of Expenses	Chandrasekar Thyagarajan	0.05	0.07
		Dharmander Kapoor	0.19	0.10
		Sneha Padve	0.14	0.03
			<b>0.38</b>	<b>0.20</b>
	Remuneration #	Chandrasekar Thyagarajan	43.41	31.73
Dharmander Kapoor		419.08	201.09	
Sneha Padve		9.42	11.36	
Angan Guha		2.78	-	
			<b>474.69</b>	<b>244.18</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Relationship	Transaction	Related party name	31 March 2023	31 March 2022
	Commission and sitting fees paid	Alka Bharucha	3.55	3.05
		Amita Birla	5.95	5.60
		Anant Talaulicar	3.30	3.70
		Ashok Kumar Barat	4.25	4.00
		Chandrakant Birla	2.60	2.50
		Ananth Sankaranarayanan	0.15	-
		Nandita Gurjar	3.65	3.25
			<b>23.45</b>	<b>22.10</b>
Dividend		Dharmander Kapoor	3.38	2.42
		Nandita Gurjar	0.00*	-
		Sneha Padve	0.10	0.00*
			<b>3.48</b>	<b>2.42</b>
Relatives of Director's and KMP's	Remuneration	Siddhant Padve	<b>0.40</b>	<b>0.36</b>
Others	Dividend	National Engineering Industries Limited	484.81	430.95
		Central India Industries Ltd.	23.26	20.68
			<b>508.07</b>	<b>451.63</b>
	Reimbursement of Expenses	CK Birla Corporate Services Limited	<b>32.32</b>	-
	Other Expenses	CK Birla Corporate Services Limited	<b>60.42</b>	<b>51.26</b>
Sales	CK Birla Corporate Services Limited	<b>7.66</b>	<b>8.57</b>	

\*Since denominated in ₹ Million

# Remuneration includes share based payments to Dharmander Kapoor ₹ 364.55 million (previous year ₹ 149.34 million), to Chandrasekar Thyagarajan ₹ 13.14 million (previous year nil), to Sneha Padve ₹ 3 million (previous year ₹ 5.22 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.

## 27 Other equity

### (i) Capital redemption reserve

Represents the nominal amount of:

- Preference share capital: on redemption of 400,000, 0.01% cumulative redeemable preference shares.
- Equity share capital: On buy-back of 7,800,000 fully paid equity shares of ₹ 2/- each.

### (ii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### (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 36 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 2023 is ₹ 12.09 million (trade payable: ₹ 11.63 million; payables in respect of fixed assets ₹ 0.47 million) (Previous year - ₹ 67.16 million) (trade payable: ₹ 51.65 million; payables in respect of fixed assets ₹ 15.51 million). Estimated interest due thereon is Nil (Previous year Nil).
- Amount of payments made to suppliers beyond the appointed date during the year is ₹ 73.09 million (Previous year - ₹ 123.34 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 1.09 million (Previous year - ₹ 1.09 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 2023 is ₹ 4.16 million (Previous year ₹ 3.07 million).
- The amount of further estimated interest due and payable for the period from 1 April 2023 to actual date of payment or 30 April 2023 (whichever is earlier) is ₹ Nil

## 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 2023

Particulars	Manufacturing	BFSI	Energy , Resources & Utility	Life science and services	Revenue from Subsidiary	Total
Revenue from software development and IT Consulting Services	1,878.42	962.60	464.40	325.70	-	3,631.12
Revenue from Subsidiary (BTB revenue)	-	-	-	-	20,541.31	20,541.31
<b>Total revenue from contracts with customers</b>	<b>1,878.42</b>	<b>962.60</b>	<b>464.40</b>	<b>325.70</b>	<b>20,541.31</b>	<b>24,172.43</b>
<b>Geographical Markets</b>						
a. America	-	-	-	-	17,523.49	17,523.49
b. UK and Europe	334.29	570.55	0.65	-	2,807.22	3,712.71
c. Rest of World	1,544.13	392.05	463.75	325.70	210.60	2,936.23
<b>Total revenue from contracts with customers</b>	<b>1,878.42</b>	<b>962.60</b>	<b>464.40</b>	<b>325.70</b>	<b>20,541.31</b>	<b>24,172.43</b>

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Revenue for year ended 31 March 2022

Particulars	Manufacturing	BFSI	Energy, Resources & Utility	Life science and services	Revenue from Subsidiary	Total
Revenue from software development and IT Consulting Services	1,772.52	1,132.72	469.96	576.92	-	3,952.12
Revenue from Subsidiary (BTB revenue)	-	-	-	-	16,541.63	16,541.63
<b>Total revenue from contracts with customers</b>	<b>1,772.52</b>	<b>1,132.72</b>	<b>469.96</b>	<b>576.92</b>	<b>16,541.63</b>	<b>20,493.75</b>
<b>Geographical Markets</b>						
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
<b>Total revenue from contracts with customers</b>	<b>1,772.52</b>	<b>1,132.72</b>	<b>469.96</b>	<b>576.92</b>	<b>16,541.63</b>	<b>20,493.75</b>

## b. Trade receivables and Contract balances:

Particulars	31 March 2023	31 March 2022
Trade Receivables	1,693.60	2,705.48
Contract assets (including unbilled revenue)	212.71	284.31
Unearned Revenue	32.66	52.62

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 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 2023	31 March 2022
Balance at the beginning of the year	284.31	291.93
Revenue recognized net of invoices raised during the year	(71.60)	(7.62)
<b>Balance at the end of the year</b>	<b>212.71</b>	<b>284.31</b>

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 2023	31 March 2022
Balance at the beginning of the year	52.62	400.12
Revenue recognized net of unearned revenue for the year	19.96	347.50
<b>Balance at the end of the year</b>	<b>32.66</b>	<b>52.62</b>

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 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 revaluations 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 2023	31 March 2022
Within one year	949.59	2,325.38
More than one year	1.65	1,859.19

## d. Contract Fulfillment Cost:

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.

Changes in Contract Fulfillment Cost	31 March 2023	31 March 2022
Opening Balance	109.17	21.31
Cost incurred during the period qualifying as contract fulfilment cost	93.91	105.89
Amortized in the reporting period	110.31	18.03
<b>Closing balance</b>	<b>92.77</b>	<b>109.17</b>

## 30 Expenditure and Earnings in foreign Currency

### A. Expenditure in foreign currency

Particulars	31 March 2023	31 March 2022
Salaries and wages	114.32	107.90
Cost of professional subcontracting	16.55	51.29
Cost of service delivery	58.83	31.67
Recruitment and training expenses	17.62	18.05
Marketing expenses	-	0.20
Professional expenses	10.48	5.73
Other expenses	35.60	44.24
<b>Total</b>	<b>253.40</b>	<b>259.08</b>

### B. Earnings in foreign currency

Particulars	31 March 2023	31 March 2022
Software services	21,630.82	17,880.75
Miscellaneous income	0.23	0.14
<b>Total</b>	<b>21,631.05</b>	<b>17,880.89</b>

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 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 ₹ 626.9 million (Previous year ₹ 502.08 million)

### 2 Defined benefit plan

#### 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.

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

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	600.95	540.24
Current service cost	110.52	84.02
Interest cost	41.11	35.06
Liability transferred in	0.44	-
Actuarial loss / (Gain) recognized in other comprehensive income		
a) changes in demographic assumptions	(7.06)	(0.23)
b) changes in financial assumptions	(4.86)	25.90
c) experience adjustments	14.99	8.38
Benefits paid	(119.51)	(92.42)
Present value of defined benefit obligation at the end of the year	636.58	600.95

Changes in the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	31 March 2023	31 March 2022
Fair value of plan assets at the beginning of the year	256.53	218.56
Actual return on plan assets	17.55	14.17
Assets transferred in	0.44	-
Employer contribution	-	25.00
Benefits paid	(10.57)	-
Return on Plan Assets, Excluding Interest Income	(1.55)	(1.20)
Fair value of plan assets at the end of the period	262.40	256.53

Analysis of defined benefit obligation	31 March 2023	31 March 2022
Present value of obligation as at the end of the year	636.58	600.95
Fair value of plan assets	262.40	256.53
Net (asset) / liability recognized in the Balance Sheet	374.18	344.42

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	31 March 2023	31 March 2022
Current service cost	110.52	84.02
Interest cost (net)	23.56	20.88
Expenses recognized in the Statement of Profit and Loss	134.08	104.90

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	31 March 2023	31 March 2022
Actuarial loss / (gain)	3.04	34.05
Actuarial loss / (gain) for the year on assets	1.55	1.20
Net (income) / expense recognized in the OCI	4.59	35.25

Actuarial assumptions:	31 March 2023	31 March 2022
Discount rate	7.31%	6.84%
Salary escalation		
- For next 1 year	7.00%	6.00%
- Future years thereafter	6.00%	6.00%
Attrition Rate		
- 2 years and below	35.00%	25.00%
- 3 years to 4 years	25.00%	20.00%
- 5 years and above	15.00%	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 (2012-14) Ultimate.

#### Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2023	31 March 2022
Funds managed by insurer	100%	100%

#### Expected contribution for the next Annual reporting period.

Particulars	31 March 2023	31 March 2022
Service cost	109.12	130.26
Net interest cost	27.35	23.56
Expected expense for the next annual reporting period	136.47	153.82

#### 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 2023		31 March 2022	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(28.64)	31.53	(45.48)	51.46
Future salary growth (1% movement)	34.73	(32.38)	53.52	(47.91)
Demographic Assumptions (1 % movement)	(1.28)	1.12	0.45	(0.83)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.



## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	31 March 2023	31 March 2022
Within 1 year	86.41	42.77
1-2 year	84.38	45.19
2-3 year	79.54	46.96
3-4 year	79.97	48.38
4-5 year	78.24	51.38
5-6 year	282.3	259.72
Thereafter	281.06	693.43

### Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2023	31 March 2022
Number of active members	10,736	10,443
Per month salary cost for all active members (₹ million)	439.29	371.28
Weighted average duration of the projected benefit obligation (years)	8	10
Average expected future service (years)	4	7
Projected benefit obligation (PBO)	636.58	600.95

### 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 March 2023	31 March 2022
Opening Balance	1,073.22	1,095.80
Additions	94.42	227.95
Finance cost during the year	86.83	93.69
Deletions	4.42	-
Payment of lease liabilities	362.90	344.22
<b>Closing Balance</b>	<b>887.15</b>	<b>1,073.22</b>

The following is breakup of current and non-current lease liabilities

Particulars	31 March 2023	31 March 2022
Current lease liabilities	309.91	273.51
Non-current lease liabilities	577.24	799.71
<b>Total</b>	<b>887.15</b>	<b>1,073.22</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	31 March 2023	31 March 2022
Less than one year	375.76	357.61
One to five years	584.17	872.02
More than five years	50.48	1.98
<b>Total</b>	<b>1,010.41</b>	<b>1,231.61</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

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.

### Amount recognised in profit and loss statement :

Particulars	31 March 2023	31 March 2022
Finance cost on lease liabilities	86.83	93.69
Expense relating to short term leases	6.91	9.17
Expense relating to leases of low value assets excluding short term leases of low value assets	1.93	0.05
Expenses relating to variable lease payments not included in measurement of lease liabilities	0.95	0.90

### Amount recognised in statement of cash flows

Particulars	31 March 2023	31 March 2022
Repayment of lease liabilities	362.90	344.22
<b>Total</b>	<b>362.90</b>	<b>344.22</b>

### 34 Basic and diluted earnings per share

Particulars		31 March 2023	31 March 2022
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	2,003.64	2,960.48
Weighted average number of equity shares outstanding at year end	No. of shares	277,128,994	278,842,047
<b>Earnings per share - Basic</b>	₹	<b>7.23</b>	<b>10.62</b>
Effect of dilutive potential equity shares-			
Weighted average number of diluted equity shares outstanding at year end	No. of shares	278,121,455	282,193,793
<b>Earnings per share - Diluted</b>	₹	<b>7.20</b>	<b>10.49</b>

### 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 2023	31 March 2022
1	Outstanding bank guarantees in routine course of business	60.71	96.88
2	Income tax matters (Refer note (ii))	710.65	697.68
3	Service tax matters (excluding interest and penalty)(Refer note (i))	685.45	685.45
4	Other matters (Refer note (iii))	27.75	27.75

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

**Note:****(i) Service tax matters**

- a. The Company has filed an appeal before Central Excise and Service Tax Appellate Tribunal against the order received from Commissioner of Central Excise & Service Tax, Pune I for the period April 2014 to March 2015 demanding service tax on:
- ₹ 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 filed an appeal before Central Excise and Service Tax Appellate Tribunal against the order received from Commissioner (Appeals - I), Central Excise & Service Tax, Pune for the period April 2010 to June 2012 demanding service tax on:
- ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses.
- 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 (previous year ₹ 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 e) disallowance of section 80G claim and f) Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 108.75 million (previous year ₹ 95.78 million).

**(iii) Other matters**

These matters pertain to the Transferor Company acquired pursuant to the composite scheme.

- a. ₹ 19.47 million (previous year ₹ 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 (previous year ₹ 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

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

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 (previous year ₹ 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 Court heard the Arguments and directed the respondent Board TNEB to file appropriate petition before the Tamil Nadu Electricity Regulatory Commission for appropriate order passed by the Commission. Case disposed on 26.08.2019. It is found that TNEB has not yet filed any application to that effect. Further, none of the other similar consumers such as Birlasoft have approached the TNERC. Once TNEB files an application before the TNERC and Birlasoft receives notice of the said application further proceedings will take place. There is yet not any finality on the alleged demand.
- 2 As per Ind AS 37, the Company has made provision for future lease restoration expense of ₹ 4.23 million (Previous year ₹ 3.92 million) in respect leased premises in Noida and Hyderabad. The same is expected to be utilized at the end of the lease period in 2024 and 2026.

Sr. No.	Particulars	31 March 2023	31 March 2022
1	Carrying amount as at beginning of the year	3.92	3.41
2	Additional provision made during the year	0.31	0.51
3	Amount paid/utilized during the year	-	-
4	Carrying amount as at end of the year	4.23	3.92

**3 Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 156.68 million (Previous Year ₹ 387.56 million)
- b. Intangibles - ₹ 0.74 million (Previous Year ₹ 23.42)

**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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	190,800	58.74	460,400	58.53
Granted during the year	-	-	-	-
Forfeited / surrendered / Adjusted during the year	12,100	58.74	22,850	58.74
Exercised during the year	98,900	58.74	231,300	58.33
Lapsed during the year	5,400	58.74	15,450	58.74
Options outstanding at the end of year	74,400	58.74	190,800	58.74
Options exercisable at the end of the year	74,400	58.74	190,800	58.74

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 313.69 (Previous year ₹ 435.78).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	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	0.41	74,400	1.06	190,800
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 2023 and 31 March 2022.

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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	161,200	61.64	385,900	59.95
Adjusted for Corporate Action	-	-	547,800	59.83
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	2,800	58.74	30,000	58.74
Exercised during the year	56,250	58.74	183,750	58.74
Lapsed during the year	2,550	58.74	10,950	58.74
Options outstanding at the end of year	99,600	63.43	161,200	61.64
Options exercisable at the end of the year	99,600	63.43	161,200	61.64

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ 313.52 (Previous year ₹ 436.46).

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	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	0.68	99,600	1.22	161,200
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 2023 and 31 March 2022.

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.

Employee Stock Option Plan- 2006 and Employee Stock Option Plan- 2015 (Share based payment schemes of the Company) were administered by the Employee Welfare Trust (EWT). Under the Composite scheme of arrangement, 2019, the EWT was transferred to KPIT Technologies Limited (erstwhile KPIT Engineering Limited). Hence, Company has not done any further allotments against exercise of these options, as the same has been already allotted EWT during the previous years.

### 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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	214,675	3.10	990,233	3.10
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	127,691	3.10	775,558	3.10
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	86,984	3.10	214,675	3.10
Options exercisable at the end of the year	86,984	3.10	214,675	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 ₹ 293.91 (Previous year ₹ 349.55).

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	86,984	2.31	214,675
₹ 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 2023 and 31 March 2022.

The Group recorded an employee compensation cost of ₹ Nil (Previous year - Nil) 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.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	31 March 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	6,309,753	207.26	6,648,575	79.66
Granted during the year	-	-	2,353,500	423.56
Forfeited / surrendered during the year	608,786	261.01	1,463,500	97.12
Exercised during the year	1,891,931	66.85	1,228,822	62.34
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	3,809,036	268.41	6,309,753	207.26
Options exercisable at the end of the year	1,545,500	268.41	1,195,644	207.26

The weighted average share price of the options exercised under Share Incentive Plan - 2019 on the date of exercise during the year was ₹ 303.97 (Previous year ₹ 457.52).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	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	1.25	1,479,036	2.38	3,504,181
Greater than ₹ 100	3.08	2,330,000	2.66	2,805,572

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

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 2023	31 March 2022
1. Exercise price (₹)	NA	423.56
2. Price of the underlying share in market at the time of the option grant (₹)	NA	423.56
3. Weighted average fair value of options granted (₹)	NA	196.55
4. Expected life of the option (years)	NA	4.16
5. Risk free interest rate (%)	NA	5.45%
6. Expected volatility (%)	NA	54.23%
7. Dividend yield (%)	NA	0.64%

The Group recorded an employee compensation cost of ₹ Nil million (Previous year ₹ 50.45 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.

Number and weighted average exercise prices of units granted, exercised and cancelled/lapsed during the financial year

Particulars	31 March 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Units outstanding at the beginning of the year	1,439,255	2.00	1,644,863	2.00
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	102,804	2.00	-	-
Exercised during the year	1,154,843	2.00	205,608	2.00
Lapsed during the year	-	-	-	-
Units outstanding at the end of year	181,608	2.00	1,439,255	2.00
Units exercisable at the end of the year	78,804	2.00	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 ₹ 288.96 (Previous year ₹ 521.58).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	2.38	181,608	4.40	1,439,255
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
Greater than ₹ 100	NIL	NIL	NIL	NIL

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The Group recorded an employee compensation cost of ₹ Nil million (Previous year ₹ 34.46 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.

### 6 Share Incentive Plan – 2022

The Board of Directors and the shareholders of the Company approved Birlasoft Share Incentive Plan 2022 (“SIP 2022”) at their meetings held on May 23, 2022 and August 3, 2022. The Nomination and Remuneration Committee of the Board of Directors of the Company (“the NRC”) implements and administers this SIP 2022 Plan. Each Performance Stock Unit (“PSU”) / Restricted Stock Unit (“RSU”) collectively referred to as “Awards” carries with it the right to be converted into one equity share of the Company. The PSUs/RSUs 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 Awards. The vesting criteria of the Awards is determined by the NRC and is provided to employee in the Letter 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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Units outstanding at the beginning of the year	-	-	NA	NA
Granted during the year	2,910,500	2.00	NA	NA
Forfeited / surrendered during the year	-	-	NA	NA
Exercised during the year	-	-	NA	NA
Lapsed during the year	-	-	NA	NA
Units outstanding at the end of year	2,910,500	2.00	NA	NA
Units exercisable at the end of the year	-	-	NA	NA

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	5.83	2,910,500	NA	NA
₹ 50 to ₹ 100	NIL	NIL	NA	NA
Greater than ₹ 100	NIL	NIL	NA	NA

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 2023	31 March 2022
1. Exercise price (₹)	2.00	NA
2. Price of the underlying share in market at the time of the option grant (₹)	289.71	NA
3. Weighted average fair value of options granted (₹)	271.79	NA
4. Expected life of the option (years)	3.76	NA
5. Risk free interest rate (%)	7.09%	NA
6. Expected volatility (%)	50.67%	NA
7. Dividend yield (%)	1.55%	NA

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The Group recorded an employee compensation cost of ₹ 107.73 million (Previous year Nil) 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.

### 37 Income taxes

The income tax expense consists of following:

Particulars	31 March 2023	31 March 2022
Current tax		
Tax on the profit	732.71	931.24
<b>Total current tax expense (a)</b>	<b>732.71</b>	<b>931.24</b>
Deferred tax		
Atributable to -		
Origination and reversal of temporary differences	(64.37)	76.58
<b>Total deferred tax expense (b)</b>	<b>(64.37)</b>	<b>76.58</b>
<b>Total Tax Expense (a + b)</b>	<b>668.34</b>	<b>1,007.82</b>

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 2023	31 March 2022
<b>Profit before tax</b>	<b>2,671.98</b>	<b>3,968.30</b>
Indian statutory income tax rate	25.17%	25.17%
Expected tax expense	672.54	998.82
<b>Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Effect relating to prior years	(9.05)	(9.92)
Effect of permanent adjustments	9.57	10.95
Others (net)	(4.71)	7.97
<b>Total tax expense</b>	<b>668.34</b>	<b>1,007.82</b>

### Deferred Tax

The gross movement in the deferred income tax account for the year ended 31 March 2023 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	60.72	109.20	-	169.92
- Provision for compensated absences	62.44	11.27	-	73.71
- 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	81.86	(9.92)	-	71.94
- Transaction Cost	54.62	(54.45)	-	0.17

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Particulars	Opening Balance	Recognised through Profit and Loss Account	Recognised in/ reclassified from OCI	Closing Balance
- Provision for Indirect tax	0.03	-	-	0.03
- Bonus Payable	3.36	-	-	3.36
- Right of Use Assets	270.13	(46.83)	-	223.30
- Others (mainly includes employee related provision)	14.43	13.76	-	28.19
- Other provisions	0.99	(0.99)	-	-
- Forward contracts designated as cash flow hedges	(17.30)	-	35.02	17.72
- Right-of-use assets	(230.52)	42.82	-	(187.70)
- Investments in MF at fair value through Profit and Loss Account	(1.49)	(0.49)	-	(1.98)
<b>Net deferred tax asset</b>	<b>384.71</b>	<b>64.37</b>	<b>35.02</b>	<b>484.10</b>

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
- Forward contracts designated as cash flow hedges	(42.85)	-	25.55	(17.30)
- 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)
<b>Net deferred tax asset</b>	<b>435.74</b>	<b>(76.58)</b>	<b>25.55</b>	<b>384.71</b>

## Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### 38 Ratio Analysis

Sr. no.	Particulars	31 March 2023	31 March 2022	% change in ratio	Comments
1	<b>Current ratio</b> Current asset/ Current liabilities	2.94	4.36	(32%)	Utilization of funds for buyback has led to reduction in current assets thereby reducing current ratio
2	<b>Debt equity ratio</b>	NA	NA	NA	Not applicable - as there are nil borrowings
3	<b>Debt Service Coverage Ratio</b>	NA	NA	NA	Not applicable - as there are nil borrowings
4	<b>Return on Equity Ratio</b> Profit after Tax/ Average equity	0.14	0.20	(28%)	The return on equity ratio has decreased due to one time provision for doubtful debts.
5	<b>Inventory turnover ratio</b>	NA	NA	NA	Not applicable - as there is no inventory
6	<b>Trade Receivables turnover ratio</b> Revenue/ Average AR balance	10.18	7.81	30%	Better collections during the year led to improvement in trade receivables turnover ratio.
7	<b>Trade payables turnover ratio</b> Total other exp/Average AP balance	4.67	3.80	23%	
8	<b>Net capital turnover ratio</b> Revenue/ Working Capital	4.26	2.10	102%	Efficient use of working capital coupled with higher revenue has resulted in increased net capital turnover ratio.
9	<b>Net profit ratio</b> Profit after Tax/ Revenue	8%	14%	(43%)	The net profit ratio has decreased due to one time provision for doubtful debts.
10	<b>Return on Capital employed</b> Earnings before Interest and Tax/ Capital Employed	0.21	0.22	(4%)	
11	<b>Return on investment</b> Income from investments/ Average investments	0.04	0.04	(12%)	

### 39 Other Explanatory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

# Notes forming part of the standalone financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

(vii) The Company has non-fund based working capital facilities from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

(viii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

## 40 Corporate Social Responsibility

Particulars	31 March 2023	31 March 2022
A. Gross amount required to be spent by the company during the year	60.41	49.14
B. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	48.05	29.14
C. Shortfall at the end of the year	12.36	20.00
D. Total of previous years shortfall	8.00	-
E. Reason for shortfall	Refer note below	
F. Nature of CSR activities	1. Environment Sustainability 2. Promoting & Preventive Healthcare 3. Promoting education and skill development	
G. Related party transaction	NA	NA
H. Movement in CSR Provisions		
(i) Opening liability	20.00	-
(ii) Provision made during the year	12.36	20.00
(iii) Amount spent during the year	(12.00)	-
(iv) Closing liability	20.36	20.00

### Reason for shortfall

During the year, the Company identified and initiated an ongoing project amounting to INR 12.36 million, the duration of which is 13 months. The said amount being unspent as on 31 March 2023, has been transferred to the Unspent CSR Account on 26 April 2023, as required by Section 135(6) of the Companies Act, 2013

41 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 No: 101248W/W-100022

#### Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: 08 May 2023

### For and on behalf of the Board of Directors of

#### Birlasoft Ltd.

CIN: L72200PN1990PLC059594

#### Amita Birla

Chairman

DIN: 00837718

Place: New Delhi

Date: 08 May 2023

#### Sneha Padve

Company Secretary

Place: Pune

Date: 08 May 2023

#### Angan Guha

CEO &amp; Managing Director

DIN: 09791436

Place: Pune

Date: 08 May 2023

#### Kamini Shah

Chief Financial Officer

Place: Pune

Date: 08 May 2023

# 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 2023, 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, 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 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Revenue recognition in respect of fixed price contracts See note 1.4 and 29 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition in respect of fixed price contracts:</b> The group engages in 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. Contract estimates are formed by the Group considering the following:</p> <ul style="list-style-type: none"> <li>Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation.</li> <li>There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations.</li> <li>These contracts may involve onerous obligations on the Company requiring critical estimates to be made.</li> <li>Contracts are subject to modification to account for changes in contract specification and requirements.</li> </ul>	<p><b>Our audit procedure in this area included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained 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;</li> <li>Tested 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;</li> <li>For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognised in accordance with Ind AS by: <ul style="list-style-type: none"> <li>Evaluating the identification of performance obligations.</li> <li>Agreeing the transaction price to the underlying contracts.</li> <li>Inspecting the approval of the estimates of cost to complete.</li> <li>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.</li> <li>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.</li> </ul> </li> </ul>

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>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.</li> </ul> <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>vi. 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.</p> <p>vii. 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.</p>

**Impairment of goodwill See note 1.8(b)(ii) and 37 to 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"> <li>Assessed Group's evaluation of identification of cash generating units and allocation of goodwill to the respective cash generating units (CGU);</li> <li>Evaluated the Group's assessment of recoverable amount and impairment assessment for goodwill;</li> <li>Tested the arithmetical accuracy of the cash flow projections and impairment assessment made by the Group;</li> <li>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"> <li>i. comparing the same to externally derived data and industry comparators, where available;</li> <li>ii. assessing the sensitivity of key assumptions on the impairment assessment;</li> <li>iii. comparing the forecasts against the historical performance.</li> </ul> </li> </ul> <p>This was based on our knowledge of the Group and the markets in which the VBU operates. We took assistance of our valuations team for above testing.</p> <ul style="list-style-type: none"> <li>Performed sensitivity analysis of the key assumptions, such as future revenue growth rates and the discount rate used in determining the recoverable value;</li> <li>Evaluated the adequacy of the disclosures of key assumptions and judgements.</li> </ul>

**Information Other than the 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 Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

**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 the 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's, 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 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 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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**

a. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 4,284.51 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 4,591.10 million and net cash outflows (before consolidation adjustments) amounting to ₹ 198.62 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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 work done and the reports of the other auditors.

b. The financial information of four subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 596.29 million as at

31 March 2023, total revenues (before consolidation adjustments) of ₹ 1,892.82 million and net cash flows (before consolidation adjustments) amounting to ₹ 90.01 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. These 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are 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 this matter with respect to 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 reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, 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 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 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 2023.

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 2023.

d. (i) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 25.4 to the consolidated financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 25.5 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

As stated in Note 12.2 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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: 08 May 2023

Membership No. 113896  
ICAI UDIN:23113896BGYERY4219

### Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Birlasoft Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(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 Holding Company's which are companies incorporated in India except the Holding Company's. The Companies (Auditor's Report) Order, 2020 of the Holding Company's 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  
ICAI UDIN:23113896BGYERY4219

Place: Pune  
Date: 08 May 2023

### Annexure B to the Independent Auditor's Report on the consolidated financial statements of Birlasoft Limited for the year ended 31 March 2023

**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 Act**

(Referred to in paragraph 2(A)(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 Birlasoft Limited (hereinafter referred to as "the Holding Company's") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company's, as of that date.

In our opinion, the Holding 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 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities for Internal Financial Controls

The Holding 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 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 Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements.

#### Meaning of Internal Financial Controls with Reference to 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 consolidated 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 consolidated 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 consolidated financial statements.

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Swapnil Dakshindas**  
Partner  
Membership No. 113896  
ICAI UDIN: 23113896BGYERY42197

Place: Pune  
Date: 08 May 2023

## Consolidated Balance Sheet as at 31 March 2023

	Note	31 March 2023	31 March 2022
(Amount in ₹ million)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2A	1,423.36	1,468.23
Right-of-use assets	2B	901.91	1,115.92
Capital work-in-progress	2D	64.95	16.99
Goodwill	37	4,895.82	4,567.82
Other intangible assets	2C	137.93	93.57
Intangible assets under development	2D	-	11.40
Financial assets			
Investments	3	741.06	540.67
Other financial assets	4	272.61	162.29
Income tax assets (net)		492.62	470.60
Deferred tax assets (net)	5	1,170.78	920.06
Other non-current assets	6	73.92	132.89
		<b>10,174.96</b>	<b>9,500.44</b>
<b>Current assets</b>			
Financial assets			
Investments	7	4,890.30	7,861.15
Trade receivables	8		
Billed		7,316.12	6,811.55
Unbilled		1,755.06	1,676.11
Cash and cash equivalents	9	4,668.52	2,905.61
Other bank balances	9	866.37	922.14
Other financial assets	10	60.30	202.89
Other current assets	11	2,141.05	3,953.52
		<b>21,697.72</b>	<b>24,332.97</b>
<b>TOTAL ASSETS</b>		<b>31,872.68</b>	<b>33,833.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	549.74	558.99
Other equity	28	23,933.19	25,271.51
<b>Total equity</b>		<b>24,482.93</b>	<b>25,830.50</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	13	662.12	911.58
Provisions	14	487.42	492.39
		<b>1,149.54</b>	<b>1,403.97</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	15	356.19	316.71
Trade payables	16		
- Outstanding dues of micro enterprises and small enterprises		11.63	51.65
- Outstanding dues of creditors other than micro enterprises and small enterprises		2,301.17	2,043.44
Other financial liabilities	17	1,370.86	1,724.99
Other current liabilities	18	1,235.18	1,723.45
Provisions	19	638.95	396.25
Income tax liabilities (net)		326.23	342.45
		<b>6,240.21</b>	<b>6,598.94</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,872.68</b>	<b>33,833.41</b>
Significant accounting policies	1		
Notes referred to above form an integral part of the consolidated financial statements	2-41		

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: 08 May 2023

For and on behalf of the Board of Directors of  
Birlasoft Limited  
CIN: L72200PN1990PLC059594

Amita Birla  
Chairman  
DIN: 00837718  
Place: New Delhi  
Date: 08 May 2023

Sneha Padve  
Company Secretary  
Place: Pune  
Date: 08 May 2023

Angan Guha  
CEO & Managing Director  
DIN: 09791436  
Place: Pune  
Date: 08 May 2023

Kamini Shah  
Chief Financial Officer  
Place: Pune  
Date: 08 May 2023

## Consolidated Statement of Profit & Loss for the year ended 31 March 2023

	Note	31 March 2023	31 March 2022
(Amount in ₹ million)			
<b>Income</b>			
Revenue from operations	20	47,947.69	41,303.50
Other income (net)	21	228.11	662.02
<b>Total income</b>		<b>48,175.80</b>	<b>41,965.52</b>
<b>Expenses</b>			
Employee benefits expense	22	28,130.57	23,688.76
Finance costs	23	185.89	130.16
Depreciation and amortization expense	2	822.65	765.10
Other expenses	24	14,612.47	11,213.51
<b>Total expenses</b>		<b>43,751.58</b>	<b>35,797.53</b>
<b>Profit before exceptional items and tax</b>		<b>4,424.22</b>	<b>6,167.99</b>
Exceptional items		-	(1.37)
<b>Profit before tax</b>		<b>4,424.22</b>	<b>6,166.62</b>
<b>Tax expense</b>	36		
Current tax		1,277.82	1,523.68
Deferred tax (benefit)/charge		(169.44)	6.56
<b>Total tax expense</b>		<b>1,108.38</b>	<b>1,530.24</b>
<b>Profit for the year</b>		<b>3,315.84</b>	<b>4,636.38</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(4.58)	(35.27)
Income tax on items that will not be reclassified to profit or loss		1.15	8.88
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		1,020.06	396.96
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		(139.13)	(101.51)
Income tax on items that will be reclassified to profit or loss		35.02	25.55
<b>Total other comprehensive income</b>		<b>912.52</b>	<b>294.61</b>
<b>Total comprehensive income for the year</b>		<b>4,228.36</b>	<b>4,930.99</b>
<b>Profit attributable to</b>			
Owners of the Company		3,315.84	4,636.38
<b>Profit for the year</b>		<b>3,315.84</b>	<b>4,636.38</b>
<b>Other comprehensive income attributable to</b>			
Owners of the Company		912.52	294.61
<b>Other comprehensive income for the year</b>		<b>912.52</b>	<b>294.61</b>
<b>Total comprehensive income attributable to</b>			
Owners of the Company		4,228.36	4,930.99
<b>Total comprehensive income for the year</b>		<b>4,228.36</b>	<b>4,930.99</b>
<b>Earnings per equity share (face value per share ₹ 2 each)</b>			
Basic	33	11.96	16.63
Diluted	33	11.92	16.43
Significant accounting policies	1		
Notes referred to above form an integral part of the consolidated financial statements	2-41		

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: 08 May 2023

For and on behalf of the Board of Directors of  
Birlasoft Limited  
CIN: L72200PN1990PLC059594

Amita Birla  
Chairman  
DIN: 00837718  
Place: New Delhi  
Date: 08 May 2023  
Sneha Padve  
Company Secretary  
Place: Pune  
Date: 08 May 2023

Angan Guha  
CEO & Managing Director  
DIN: 09791436  
Place: Pune  
Date: 08 May 2023  
Kamini Shah  
Chief Financial Officer  
Place: Pune  
Date: 08 May 2023



(Amount in ₹ million)

Particulars	31 March 2023	31 March 2022
Dividend paid	(1,249.50)	(1,110.82)
Interest and finance charges paid	(94.57)	(30.25)
<b>Net cash used in financing activities (C)</b>	<b>(6,362.04)</b>	<b>(1,467.33)</b>
<b>D] Exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>(1.23)</b>	<b>(28.12)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A + B + C + D)</b>	<b>1,762.91</b>	<b>(1,755.31)</b>
Cash and cash equivalents at end of the year (Refer note 1 below)	4,668.52	2,905.61
Cash and cash equivalents at beginning of the year (Refer note 1 below)	2,905.61	4,660.92
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<b>1,762.91</b>	<b>(1,755.31)</b>
<b>Note 1:</b>		
Cash and cash equivalents include:		
Cheques in Hand	23.11	86.57
Balance with banks		
- In current accounts	3,163.68	2,418.46
- In deposit account (with original maturity of 3 months or less)	1,481.73	400.58
<b>Total Cash and cash equivalents</b>	<b>4,668.52</b>	<b>2,905.61</b>

**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.

**Note 4: Reconciliation of liabilities from financing activities**

Balance at the beginning of the year	1,228.29	1,281.10
Repayment of lease liabilities	(402.79)	(404.71)
Non-cash changes (including effects of unrealised foreign exchange)	192.81	351.90
<b>Closing balance at the end of the year</b>	<b>1,018.31</b>	<b>1,228.29</b>

**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: 08 May 2023

**For and on behalf of the Board of Directors of****Birlasoft Limited**

CIN: L72200PN1990PLC059594

**Amita Birla**

Chairman

DIN: 00837718

Place: New Delhi

Date: 08 May 2023

**Sneha Padve**

Company Secretary

Place: Pune

Date: 08 May 2023

**Angan Guha**

CEO & Managing Director

DIN: 09791436

Place: Pune

Date: 08 May 2023

**Kamini Shah**

Chief Financial Officer

Place: Pune

Date: 08 May 2023

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

## Group 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 08 May 2023.

## 1 Significant accounting policies

### 1.1 Basis of consolidation

The Consolidated Financial Statements relate to Birlasoft Limited ('the Company') and 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 2023.
- 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 2023 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.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

- vi. The investments in joint venture are accounted for using equity method. The investment is initially recognized at cost and the carrying amount is 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 Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group 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

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

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 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:

- it is expected to be realized in, or is intended for sale or consumption in, the Group'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 Group'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 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 Group 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

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

('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. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

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.

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.

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

- 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.
- 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.
- 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.
- 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

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

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 recognised using percentage-of-completion method. The Group 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.
- 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.

## 1.5 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.

## 1.6 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.

## 1.7 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.

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

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. The management's estimates of the

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

useful lives of intangible assets for computing amortization are as follows:

Type of asset	Useful life (No. of years)
Product Development cost (internally generated)	3-4
Perpetual Software License	4
Time based software license	License period

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## 1.8 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 and 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.

The goodwill impairment test is performed at the level of CGU or groups of the CGUs which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purpose.

## 1.9 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

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

## 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-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.

## 1.10 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.

## 1.11 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



# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

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.

## 1.12 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.

## 1.13 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.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

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 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.

## 1.14 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 –

- 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
- 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 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.

## 1.15 Share based payments

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

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

the employees would become unconditionally entitled to apply for the shares.

## 1.16 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 unless those contain a significant financing component determined in accordance with Ind AS 115. 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 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 foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

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 significant 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.

#### 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.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

## 1.17 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.

## 1.18 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.

## 1.19 Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## 1.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 2A Property, plant and equipment

	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross carrying amount as at 01 April 2021</b>	<b>389.22</b>	<b>1,019.15</b>	<b>1,650.84</b>	<b>200.93</b>	<b>14.57</b>	<b>392.45</b>	<b>3,667.16</b>
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	0.68	-	40.71	4.64	-	17.16	63.19
<b>Gross carrying amount as at 31 March 2022</b>	<b>387.89</b>	<b>1,029.70</b>	<b>2,175.60</b>	<b>199.06</b>	<b>17.20</b>	<b>440.69</b>	<b>4,250.14</b>
<b>Accumulated depreciation as at 01 April 2021</b>	<b>126.35</b>	<b>533.73</b>	<b>1,366.93</b>	<b>156.69</b>	<b>13.78</b>	<b>248.60</b>	<b>2,446.08</b>
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	0.68	-	40.47	3.72	-	16.58	61.45
<b>Accumulated depreciation as at 31 March 2022</b>	<b>145.86</b>	<b>668.96</b>	<b>1,519.52</b>	<b>168.75</b>	<b>13.99</b>	<b>264.83</b>	<b>2,781.91</b>
<b>Gross carrying amount as at 01 April 2022</b>	<b>387.89</b>	<b>1,029.70</b>	<b>2,175.60</b>	<b>199.06</b>	<b>17.20</b>	<b>440.69</b>	<b>4,250.14</b>
Additions	4.61	0.47	366.63	0.03	-	55.15	426.89
Foreign exchange translation	-	1.41	22.21	6.51	-	6.07	36.20
Disposal/retirements/derecognition	1.87	11.45	85.37	39.21	1.63	12.22	151.75
<b>Gross carrying amount as at 31 March 2023</b>	<b>390.63</b>	<b>1,020.13</b>	<b>2,479.07</b>	<b>166.39</b>	<b>15.57</b>	<b>489.69</b>	<b>4,561.48</b>
<b>Accumulated depreciation as at 01 April 2022</b>	<b>145.86</b>	<b>668.96</b>	<b>1,519.52</b>	<b>168.75</b>	<b>13.99</b>	<b>264.83</b>	<b>2,781.91</b>
Depreciation	20.64	120.41	279.64	12.13	0.56	32.52	465.90
Foreign exchange translation	-	1.37	19.01	5.91	-	5.86	32.15
Disposal/retirements/derecognition	0.59	11.35	84.40	36.20	1.47	7.83	141.84
<b>Accumulated depreciation as at 31 March 2023</b>	<b>165.91</b>	<b>779.39</b>	<b>1,733.77</b>	<b>150.59</b>	<b>13.08</b>	<b>295.38</b>	<b>3,138.12</b>
<b>Carrying amount as at 31 March 2022</b>	<b>242.03</b>	<b>360.74</b>	<b>656.08</b>	<b>30.31</b>	<b>3.21</b>	<b>175.86</b>	<b>1,468.23</b>
<b>Carrying amount as at 31 March 2023</b>	<b>224.72</b>	<b>240.74</b>	<b>745.30</b>	<b>15.80</b>	<b>2.49</b>	<b>194.31</b>	<b>1,423.36</b>

## 2B Right-of-use assets

	Office Premises	Land	Total
<b>Gross carrying amount as at 01 April 2021</b>	<b>1,796.42</b>	<b>75.16</b>	<b>1,871.58</b>
Additions	254.90	-	254.90
Foreign exchange translation	12.68	-	12.68
Disposal/retirements/derecognition	255.51	-	255.51
<b>Gross carrying amount as at 31 March 2022</b>	<b>1,808.49</b>	<b>75.16</b>	<b>1,883.65</b>
<b>Accumulated depreciation as at 01 April 2021</b>	<b>678.18</b>	<b>14.35</b>	<b>692.53</b>
Depreciation	321.05	2.48	323.53
Foreign exchange translation	7.18	-	7.18
Disposal/retirements/derecognition	255.51	-	255.51
<b>Accumulated depreciation as at 31 March 2022</b>	<b>750.90</b>	<b>16.83</b>	<b>767.73</b>
<b>Gross carrying amount as at 01 April 2022</b>	<b>1,808.49</b>	<b>75.16</b>	<b>1,883.65</b>
Additions	101.32	-	101.32
Foreign exchange translation	17.14	-	17.14
Disposal/retirements/derecognition	20.74	28.86	49.60
<b>Gross carrying amount as at 31 March 2023</b>	<b>1,906.21</b>	<b>46.30</b>	<b>1,952.51</b>
<b>Accumulated depreciation as at 01 April 2022</b>	<b>750.90</b>	<b>16.83</b>	<b>767.73</b>
Depreciation	307.49	2.48	309.97
Foreign exchange translation	7.90	-	7.90
Disposal/retirements/derecognition	19.47	15.53	35.00
<b>Accumulated depreciation as at 31 March 2023</b>	<b>1,046.82</b>	<b>3.78</b>	<b>1,050.60</b>
<b>Carrying amount as at 31 March 2022</b>	<b>1,057.59</b>	<b>58.33</b>	<b>1,115.92</b>
<b>Carrying amount as at 31 March 2023</b>	<b>859.39</b>	<b>42.52</b>	<b>901.91</b>

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

### 2C Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
<b>Gross carrying amount as at 01 April 2021</b>	<b>325.37</b>	<b>881.92</b>	<b>1,207.29</b>
Additions	-	45.52	45.52
Foreign exchange translation	10.78	3.90	14.68
Disposal/retirements/derecognition	-	12.52	12.52
<b>Gross carrying amount as at 31 March 2022</b>	<b>336.15</b>	<b>918.82</b>	<b>1,254.97</b>
<b>Accumulated amortisation as at 01 April 2021</b>	<b>315.91</b>	<b>786.29</b>	<b>1,102.20</b>
Amortisation	8.45	48.59	57.04
Foreign exchange translation	10.78	3.90	14.68
Disposal/retirements/derecognition	-	12.52	12.52
<b>Accumulated amortisation as at 31 March 2022</b>	<b>335.14</b>	<b>826.26</b>	<b>1,161.40</b>
<b>Gross carrying amount as at 01 April 2022</b>	<b>336.15</b>	<b>918.82</b>	<b>1,254.97</b>
Additions	57.30	33.84	91.14
Foreign exchange translation	25.61	9.81	35.42
Disposal/retirements/derecognition	354.85	442.25	797.10
<b>Gross carrying amount as at 31 March 2023</b>	<b>64.21</b>	<b>520.22</b>	<b>584.43</b>
<b>Accumulated amortisation as at 01 April 2022</b>	<b>335.14</b>	<b>826.26</b>	<b>1,161.40</b>
Amortisation	1.30	45.48	46.78
Foreign exchange translation	25.62	9.80	35.42
Disposal/retirements/derecognition	354.85	442.25	797.10
<b>Accumulated amortisation as at 31 March 2023</b>	<b>7.21</b>	<b>439.29</b>	<b>446.50</b>
<b>Carrying amount as at 31 March 2022</b>	<b>1.01</b>	<b>92.56</b>	<b>93.57</b>
<b>Carrying amount as at 31 March 2023</b>	<b>57.00</b>	<b>80.93</b>	<b>137.93</b>

### 2D Capital work in Progress & Intangible assets under development

	31 March 2023	31 March 2022
Capital work in progress	64.95	16.99
Intangible assets under development	-	11.40

- All the items in capital work in progress are less than one year as at 31 March 2023 & 31 March 2022.
- 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 2023 & 31 March 2022.

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

### 3 Non-Current investments

	31 March 2023	31 March 2022
<b>Investments in bonds measured at amortised cost (unquoted)</b>		
National Bank For Agriculture And Rural Development	100.17	100.17
Kotak Mahindra Prime Limited	99.32	199.32
Sundaram Finance Limited	100.00	100.00
L & T Finance Limited	201.79	101.18
Bajaj Finance Limited	49.78	-
<b>Investments in Index funds measured at amortised cost (quoted)</b>		
3,938,206 Units (Previous Year 3,938,206 units) ABSL Nifty SDL PSU Bond Sep 2026 RG	40.00	40.00
9,645,975 Units (Previous Year Nil units)-SBI CPSE BP SDL Sep 2026 50:50 Index- Regular-Growth	100.00	-
4,859,505 units (Previous Year Nil units)-Kotak Nifty SDL Apr 2027 Index Regular-Growth	50.00	-
	<b>741.06</b>	<b>540.67</b>
<b>Note:</b>		
Market value of quoted investment	191.71	40.04
Aggregate value of quoted investment	190.00	40.00
Aggregate value of unquoted investment	551.06	500.67

### 4 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

	31 March 2023	31 March 2022
Security deposits	158.67	129.51
Fixed deposits with banks	111.31	19.93
Interest accrued	2.63	12.85
	<b>272.61</b>	<b>162.29</b>

**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 2023	31 March 2022
<b>Deferred tax assets</b>		
- Provision for doubtful debts and advances	363.06	98.13
- Provision for compensated absences	157.25	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.	150.05	162.42
- Transaction cost	0.17	54.64
- Accrued expenses	32.20	11.42
- Unearned revenue	8.66	17.08
- Lease liabilities	248.57	310.55

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

	31 March 2023	31 March 2022
- Tax losses	202.43	-
- Forward contracts designated as cash flow hedges	17.72	-
- Social security deferral	-	42.98
- Others (mainly includes employee related provision)	154.37	314.67
	<b>1,419.92</b>	<b>1,220.87</b>
<b>Deferred tax liabilities</b>		
- Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	11.72	13.57
- Forward contracts designated as cash flow hedges	-	17.30
- Right-of-use assets	209.30	267.06
- Social security deferral	7.94	-
- Investments in Mutual Fund at fair value through Profit & loss	1.98	1.49
- Others	18.20	1.39
	<b>249.14</b>	<b>300.81</b>
<b>Net deferred tax asset</b>	<b>1,170.78</b>	<b>920.06</b>

### 6 Other non-current assets (Unsecured, considered good unless otherwise stated)

	31 March 2023	31 March 2022
Capital advances	3.90	-
Prepaid expenses	4.85	3.15
Contract Fulfillment Cost	65.17	129.74
	<b>73.92</b>	<b>132.89</b>

### 7 Current investments

	31 March 2023	31 March 2022
<b>Investments in equity instruments of other entities measured at fair value through profit or loss (unquoted)</b>		
Saraswat Co-operative Bank Limited	-	0.00*
Nil (Previous year 1) equity share of ₹ 10 each fully paid up		
<b>Investments in Mutual funds measured at fair value through profit or loss (quoted)</b>		
83,899 Units (Previous Year Nil units)-UTI Liquid Cash Plan - Regular Plan Growth	307.36	-
Nil Units (Previous Year 730,053 units) Aditya Birla Sun Life Saving Fund - Growth	-	321.46
19,718 Units (Previous Year Nil units)-DSP Liquidity Fund	62.86	-
Nil units (Previous Year 26,530 units) Kotak Overnight Fund Growth	-	30.00
128,155 Units (Previous Year Nil units)-HSBC Liquid Fund	285.32	-
Nil units (Previous year 1,069,594 units)-ICICI Prudential Money Market Fund-Growth	-	325.41
462,008 units (Previous year Nil units)-ICICI Prudential Liquid Fund -Direct Plan Growth	152.76	-
Nil Units (Previous Year 29,692,224 units) HDFC Ultra Short Term Fund -Regular Growth	-	364.55
40,155 Units (Previous Year 5,943,328 units) SBI Saving Fund -Regular Growth	140.39	200.25
17,407 Units (Previous Year Nil units)-Invesco India Liquid Fund - Growth	53.41	-

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

	31 March 2023	31 March 2022
18,824 Units (Previous Year Nil units)-Mirae Asset Cash Management Plan	44.08	-
22,003,147 units (Previous Year 9,500,000 units) HSBC US Govt MMF Intermediary CL	1,807.89	719.98
<b>Investments in bonds measured at amortised cost (unquoted)</b>		
Kotak Mahindra Prime Limited	100.00	-
Axis Finance Limited	50.23	-
Term deposits with financial institutions (carried at amortised cost) (unquoted)	1,886.00	5,899.50
	<b>4,890.30</b>	<b>7,861.15</b>
<b>Note:</b>		
Aggregate value of quoted investment	2,854.07	1,961.65
Aggregate market value of quoted investment	2,854.07	1,961.65
Aggregate value of unquoted investment	2,036.23	5,899.50

\*Since denominated in ₹ Million

### 8 Trade receivables (Unsecured)

	31 March 2023	31 March 2022
<b>Billed</b>		
Trade Receivables considered good	7,316.12	6,811.55
Trade Receivables - credit impaired	1,558.40	410.94
	<b>8,874.52</b>	<b>7,222.49</b>
<b>Less: Allowances for bad and doubtful trade receivables</b>	1,558.40	410.94
	<b>7,316.12</b>	<b>6,811.55</b>

#### Notes:

- Trade receivables from related parties are disclosed in note 31.
- The Group's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 25.

#### Ageing of Trade Receivables as on 31st March 2023 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	7,193.90	79.44	94.86	27.56	4.72	7,400.48
Undisputed- which have significant increase in credit risk	37.33	23.34	-	-	-	60.67
Undisputed- credit impaired	1,332.60	-	-	-	-	1,332.60
Disputed- considered good	-	-	-	-	-	-
Disputed- which have significant increase in credit risk	-	-	-	-	-	-
Disputed- credit impaired	6.37	-	64.85	9.55	-	80.77
	<b>8,570.20</b>	<b>102.78</b>	<b>159.71</b>	<b>37.11</b>	<b>4.72</b>	<b>8,874.52</b>
<b>Less: Allowance for bad and doubtful receivables</b>						(1,558.40)
						<b>7,316.12</b>
<b>Trade receivables - Unbilled</b>						1,755.06
<b>Total</b>	<b>8,570.20</b>	<b>102.78</b>	<b>159.71</b>	<b>37.11</b>	<b>4.72</b>	<b>9,071.18</b>

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (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	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
	<b>6,698.51</b>	<b>159.75</b>	<b>78.33</b>	<b>208.83</b>	<b>77.07</b>	<b>7,222.49</b>
<b>Less: Allowance for bad and doubtful receivables</b>						(410.94)
						<b>6,811.55</b>
<b>Trade receivables - Unbilled</b>						1,676.11
<b>Total</b>	<b>6,698.51</b>	<b>159.75</b>	<b>78.33</b>	<b>208.83</b>	<b>77.07</b>	<b>8,487.66</b>

## 9 Cash and bank balances

	31 March 2023	31 March 2022
<b>Balances with banks</b>		
- In current accounts	3,163.68	2,418.46
- In deposit accounts (with original maturity of 3 months or less)	1,481.73	400.58
Cheques in hand	23.11	86.57
	<b>4,668.52</b>	<b>2,905.61</b>
<b>Other bank balances</b>		
- Current Account (unclaimed dividend)	10.40	8.16
- Current Account (CSR)	8.00	-
- Deposit Account with remaining maturity of less than 12 months (Refer note 2 below)	847.97	913.98
	<b>866.37</b>	<b>922.14</b>
	<b>5,534.89</b>	<b>3,827.75</b>

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 ₹ 74.46 million (previous year ₹ 50.85 million) held as deposits against bank guarantees.
- 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.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

## 10 Other current financial assets (Unsecured, considered good unless otherwise stated)

	31 March 2023	31 March 2022
Security deposits	7.72	32.52
Interest accrued	49.26	88.65
Forward contracts designated as cash flow hedges	-	68.73
Margin Money deposit	3.08	2.84
Other receivables	0.24	10.15
	<b>60.30</b>	<b>202.89</b>

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 2023	31 March 2022
Contract assets -from fixed price contracts (Refer note 29(b))	954.04	2,851.95
Advance to suppliers	84.70	64.13
Employee advances	44.84	41.74
Balances with statutory authorities	525.39	400.31
Prepaid expenses	408.85	403.08
Contract Fulfillment Cost	102.26	184.02
Others	20.97	8.29
	<b>2,141.05</b>	<b>3,953.52</b>

## 12 Equity share capital

	31 March 2023	31 March 2022
<b>Authorised:</b>		
870,000,000 (Previous year 870,000,000) equity shares of ₹ 2 each.	1,740.00	1,740.00
	<b>1,740.00</b>	<b>1,740.00</b>
<b>Issued subscribed and fully paid up:</b>		
274,870,547 (Previous year 279,496,082) equity shares of ₹ 2 each fully paid up.	549.74	558.99
	<b>549.74</b>	<b>558.99</b>

12.1 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.

12.2 The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2023 by the Board of Directors in their meeting held on 8 May 2023 is ₹ 2/- per share (Previous year ₹ 3.00 per share) and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The amount of per share dividend recognized as distribution during the year to equity shareholders is as follows:

	31 March 2023	31 March 2022
Interim dividend for FY 2022-2023	1.50	-
Final dividend for FY 2021-2022	3.00	-
Interim dividend for FY 2021-2022	-	1.50
Final dividend for FY 2020-2021	-	2.50

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

**12.3** The Board of Directors at its meeting held on 23 May 2022, had 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, on a proportionate basis through the tender offer route using the Stock Exchange mechanism ('Buyback'). Subsequently, the Members of the Company approved the Buyback through postal ballot by e-voting on 30 June 2022. Letter of Offer was sent to eligible Members holding shares as on the record date i.e. 15 July 2022. The tendering period for the Buyback was concluded on 26 August 2022. The Company bought back 7,800,000 equity shares out of the shares that were tendered by eligible shareholders. The settlement of bids and payment of buyback consideration was made on 2 September 2022, and the shares were extinguished on 6 September 2022. Capital redemption reserve of ₹ 15.6 million was created to the extent of share capital extinguished. Premium on buyback of ₹ 3,884.4 million was utilised from securities premium reserve. The transaction cost of buy-back of ₹ 55.4 million and corresponding tax on buy-back of ₹ 788.95 million were offset from retained earnings.

**12.4** 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.

**12.5** Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	₹ in million	Number of shares	₹ in million
<b>Equity shares</b>				
At the beginning of the year	279,496,082	558.99	277,286,094	554.57
Less: Shares extinguished on Buy-back	(7,800,000)	(15.60)	-	-
Add: Shares issued on exercise of share based payment plans	3,174,465	6.35	2,209,988	4.42
<b>Outstanding at the end of the year</b>	<b>274,870,547</b>	<b>549.74</b>	<b>279,496,082</b>	<b>558.99</b>

**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 2023	% of shares held	Number of shares as at 31 March 2022	% of shares held
National Engineering Industries Limited	107,736,274	39.20%	107,736,274	38.55%

**12.7** Number of equity shares held by promoters in the Company are as follows:

Name of the Promoters	Number of shares as at 31 March 2023	% of shares held	Number of shares as at 31 March 2022	% of shares held	% change during the year
National Engineering Industries Limited*	107,736,274	39.20%	107,736,274	38.55%	0.65%
Central India Industries Ltd*	5,169,511	1.88%	5,169,511	1.85%	0.03%

\*% change due to ESOP allotment & Buyback of shares during the year.

**12.8** In the period of five years immediately preceding reporting date, aggregate number of equity shares:

	31 March 2023	31 March 2022
Issued for consideration other than cash (pursuant to Composite scheme of arrangement)	76,645,066	76,645,066
Bought back	7,800,000	-

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

**12.9** Shares reserved for issue under options

Details of shares reserved under share based payment plans is disclosed in note 35.

**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 2023	31 March 2022
Lease liabilities (Refer note 32)	662.12	911.58
	<b>662.12</b>	<b>911.58</b>

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 2023	31 March 2022
<b>Provision for employee benefits</b>		
- Compensated absences	195.45	186.82
- Gratuity fund plan liabilities (Refer note 30(2))	287.74	301.65
<b>Other provisions</b>		
- Provision for lease restoration costs (Refer Note 34(3))	4.23	3.92
	<b>487.42</b>	<b>492.39</b>

**15** Lease liabilities - current

	31 March 2023	31 March 2022
Lease liabilities (Refer note 32)	356.19	316.71
	<b>356.19</b>	<b>316.71</b>

Notes:

Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risks is disclosed in note 25.

**16** Trade payables

	31 March 2023	31 March 2022
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	11.63	51.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,301.17	2,043.44
	<b>2,312.80</b>	<b>2,095.09</b>

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 2023 (Amount in ₹ million)

Ageing of Trade Payables as on 31st March 2023 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	-	11.63	-	-	-	11.63
Disputed Due - Other	-	-	-	-	-	-
Other	-	289.97	4.97	2.34	-	297.28
Accrued expense	2,003.89	-	-	-	-	2,003.89
<b>Total</b>	<b>2,003.89</b>	<b>301.60</b>	<b>4.97</b>	<b>2.34</b>	<b>-</b>	<b>2,312.80</b>

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
<b>Total</b>	<b>1,748.05</b>	<b>331.81</b>	<b>4.58</b>	<b>6.33</b>	<b>4.32</b>	<b>2,095.09</b>

\*MSME as per Micro Small and Medium Enterprises Development Act, 2006

## 17 Other current financial liabilities

	31 March 2023	31 March 2022
Accrued employee costs	1,286.21	1,693.98
Unclaimed dividend	10.40	8.16
Payables in respect of property, plant and equipment and intangible assets	1.68	19.74
Security deposits	1.17	1.11
Forward contracts designated as cash flow hedges	70.40	-
Other payable	1.00	2.00
	<b>1,370.86</b>	<b>1,724.99</b>

Note:

Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risks is disclosed in note 25.

## 18 Other current liabilities

	31 March 2023	31 March 2022
Unearned revenue	196.70	882.56
Advances from customers	264.84	123.60
Statutory remittances	770.42	716.54
Others	3.22	0.75
	<b>1,235.18</b>	<b>1,723.45</b>

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

## 19 Provisions - current

	31 March 2023	31 March 2022
<b>Provision for employee benefits</b>		
- Compensated Absences	539.13	345.99
- Gratuity fund plan liabilities (Refer note 30(2))	95.86	50.26
<b>Other provisions</b>		
- Provision for Onerous contracts (Refer note 34(2))	3.96	-
	<b>638.95</b>	<b>396.25</b>

## 20 Revenue from operations

	31 March 2023	31 March 2022
Software services (Refer note 29)	47,947.69	41,303.50
	<b>47,947.69</b>	<b>41,303.50</b>

## 21 Other income

	31 March 2023	31 March 2022
Interest income	188.67	322.39
Dividend income	-	0.44
Profit on sale of property, plant and equipment and intangible assets (net)	-	19.08
Gain on sale / redemption of mutual funds (net)	104.77	34.46
Fair value gain on financial assets (investments) at fair value through profit or loss	2.19	2.74
Foreign exchange gain/ (loss) (net)	(74.86)	263.90
Other non operating income (net of expenses directly attributable to such income)	7.34	19.01
	<b>228.11</b>	<b>662.02</b>

## 22 Employee benefits expense

	31 March 2023	31 March 2022
Salaries, wages and incentives	27,136.12	22,994.52
Contribution to provident fund (Refer note 30(1))	626.90	502.08
Share based compensation to employees (Refer note 35)	288.75	132.06
Staff welfare expenses	78.80	60.10
	<b>28,130.57</b>	<b>23,688.76</b>

## 23 Finance costs

	31 March 2023	31 March 2022
Interest on lease liabilities	91.32	99.91
Other interest expense	94.57	30.25
	<b>185.89</b>	<b>130.16</b>



# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 24 Other expenses

	31 March 2023	31 March 2022
Travel and overseas expenses (net)	706.39	370.79
Transport and conveyance (net)	37.54	12.05
Cost of service delivery (net)	1,613.40	1,852.68
Cost of professional sub-contracting (net)	7,309.26	6,679.62
Recruitment and training expenses	532.62	434.12
Power and fuel	71.77	66.97
Rent (Refer note 32)	50.74	27.64
Repairs and maintenance -		
- buildings	158.27	98.66
- plant and equipment	563.36	390.19
- others	130.45	134.74
Insurance	55.26	49.32
Rates and taxes	70.89	66.28
Communication expenses (net)	114.20	134.39
Legal and professional fees	1,169.13	579.84
Marketing expenses	78.35	36.85
Loss on sale of property, plant and equipment and intangible assets (net)	10.91	-
Printing & stationery	10.31	6.56
Auditors remuneration (net of taxes)		
- Audit fees	10.00	10.00
- Limited review of quarterly results	2.50	2.50
- Fees for other services	0.90	0.68
- Out of pocket expenses reimbursed	0.09	0.03
Bad debts written off	352.43	1.88
Provision for doubtful debts and advances (net)	1,301.99	(6.27)
Contributions towards corporate social responsibility (Refer note 40)	60.41	49.14
Miscellaneous expenses (net)	201.30	214.85
	<b>14,612.47</b>	<b>11,213.51</b>

### Note

Certain expenses are net of recoveries/ reimbursements from customers.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(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 2023 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		
<b>Financial assets</b>							
Investments	2,777.29	-	2,854.07	-	-	5,631.36	5,631.36
Trade receivables	7,316.12	-	-	-	-	7,316.12	7,316.12
Cash and cash equivalents	4,668.52	-	-	-	-	4,668.52	4,668.52
Other balances with banks	866.37	-	-	-	-	866.37	866.37
Unbilled revenue	1,755.06	-	-	-	-	1,755.06	1,755.06
Other financial assets	332.91	-	-	-	-	332.91	332.91
<b>Total financial assets</b>	<b>17,716.27</b>	<b>-</b>	<b>2,854.07</b>	<b>-</b>	<b>-</b>	<b>20,570.34</b>	<b>20,570.34</b>
<b>Financial liabilities</b>							
Trade payables	2,312.80	-	-	-	-	2,312.80	2,312.80
Lease liabilities	1,018.31	-	-	-	-	1,018.31	1,018.31
Other financial liabilities	1,300.46	-	-	-	70.40	1,370.86	1,370.86
<b>Total financial liabilities</b>	<b>4,631.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70.40</b>	<b>4,701.97</b>	<b>4,701.97</b>

The carrying value and fair value of financial instruments by categories as on 31 March 2022 were 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		
<b>Financial assets</b>							
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
<b>Total financial assets</b>	<b>19,052.03</b>	<b>-</b>	<b>1,961.65</b>	<b>-</b>	<b>68.73</b>	<b>21,082.41</b>	<b>21,082.41</b>
<b>Financial liabilities</b>							
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
<b>Total financial liabilities</b>	<b>5,048.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,048.37</b>	<b>5,048.37</b>

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (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 2023 :

Particulars	As at 31 March 2023	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in Mutual funds and Index funds (quoted)	3,044.07	3,044.07	-	-
Investments in Bonds (unquoted)	701.29	-	701.29	-
Investments in Term deposits (unquoted)	1,886.00	-	1,886.00	-
Forward contract (Liability) designated as cash flow hedge	(70.40)	-	(70.40)	-
Lease liabilities	1,018.31	-	1,018.31	-

The following table presents fair value hierarchy of assets and liabilities measured as on 31 March 2022 :

Particulars	As at 31 March 2022	Fair value measurement as at		
		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.

## 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 ₹ 7316.12 million and ₹ 6811.55 million and unbilled revenue amounting to ₹ 1755.06 million and ₹ 1676.11 million as on 31 March 2023 and 31 March 2022 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 2023 (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 2023	31 March 2022
Balance at the beginning of the year	410.94	409.17
Change during the year	1,443.13	(4.39)
Bad debts written off	352.43	1.88
Translation exchange difference	56.76	8.04
<b>Balance as on 31 March 2023</b>	<b>1,558.40</b>	<b>410.94</b>

Unbilled revenue is not outstanding for more than 90 days.

## iii. Cash and bank balances

The Group held cash and bank balances of ₹ 5695.46 million and ₹ 3936.33 million as on 31 March 2023 and 31 March 2022 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 2023 and 31 March 2022.

## v. Investment

The Group invests surplus funds in mutual fund schemes, bonds and fixed deposits. 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 2023	31 March 2022
Cash and cash equivalents	4,668.52	2,905.61
Other balances with banks (excluding unclaimed dividend)	847.97	913.98
Investments in Mutual funds and Index funds (quoted) (non-trade)	3,044.07	2,001.65
Investments in Bonds (unquoted) (non-trade)	701.29	500.67
Investments in Term deposits (unquoted)	1,886.00	5,899.50
Fixed deposits with banks (non-current portion) including interest accrued	163.20	121.43
<b>Total</b>	<b>11,311.05</b>	<b>12,342.84</b>

## Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(Amount in ₹ million)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2023.

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Trade payables	2,312.80	-	-	-	-	2,312.80
Lease liabilities on undiscounted basis	429.11	330.12	320.34	15.81	50.48	1,145.86
Other financial liabilities	1,370.86	-	-	-	-	1,370.86

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

### 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 2023 (Amount in ₹ million):

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	149.36	59.90	3.62	-	212.88
Trade receivables	516.21	121.88	0.14	6.15	644.38
Other financial assets (including loan and unbilled revenue)	158.56	10.11	0.03	2.79	171.49
Trade payables	0.97	10.40	(0.67)	(4.81)	5.89
Other financial liabilities	6.06	1.26	(0.06)	2.00	9.26
<b>Net assets/(liabilities)</b>	<b>831.16</b>	<b>203.55</b>	<b>3.06</b>	<b>6.13</b>	<b>1,043.90</b>

## Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(Amount in ₹ million)

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2022 (Amount in ₹ million):

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)
<b>Net assets/(liabilities)</b>	<b>612.81</b>	<b>289.68</b>	<b>9.57</b>	<b>11.89</b>	<b>923.95</b>

The above figures exclude amounts in local currency of foreign subsidiaries.

For the year ended 31 March 2023, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.19% / (0.19)%.

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)%.

#### 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	31st March 2023		31st March 2022	
	Foreign Currency	₹	Foreign Currency	₹
EUR	6.44	573.99	2.75	249.15
USD	92.00	7,559.15	93.90	7,277.81
GBP	6.45	653.63	4.95	519.75

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 2023	31 March 2022
Balance at the beginning of the year	51.43	127.39
Gains/(losses) recognised in other comprehensive income	(139.13)	(101.51)
Deferred tax on fair value of effective portion of cash flow hedges	35.02	25.55
Balance at the end of the year	(52.68)	51.43

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(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 2023	31 March 2022
<b>Fixed rate instruments</b>		
Financial assets	4,928.30	1,334.49

**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.

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.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

	31 March 2023					31 March 2022				
	Manufacturing	BFSI	Energy and Utilities	Life Sciences	Total	Manufacturing	BFSI	Energy and Utilities	Life Sciences	Total
<b>a) Segment Revenue</b>										
Revenue from software development and IT consulting services	22,370.95	9,283.34	6,823.11	9,470.29	47,947.69	18,494.09	7,260.99	6,097.17	9,451.25	41,303.50
<b>Total Segment Revenue</b>	<b>22,370.95</b>	<b>9,283.34</b>	<b>6,823.11</b>	<b>9,470.29</b>	<b>47,947.69</b>	<b>18,494.09</b>	<b>7,260.99</b>	<b>6,097.17</b>	<b>9,451.25</b>	<b>41,303.50</b>
<b>b) Segment Results</b>										
Unallocated Corporate expenses (Net)	5,229.02	2,620.49	2,646.55	(11.71)	10,484.35	5,071.66	1,948.39	2,325.67	1,180.86	10,526.58
Interest income					188.67					322.39
Finance Cost					(185.89)					(130.16)
Dividend income					-					0.44
Exceptional Items					-					(1.37)
Profit before tax					<b>4,424.22</b>					<b>6,166.62</b>
Income Tax					(1,277.82)					(1,523.68)
Deferred Tax					169.44					(6.56)
Profit/ (Loss) after Tax					3,315.84					4,636.38
<b>c) Depreciation / Amortisation</b>					<b>822.65#</b>					<b>765.1#</b>
<b>d) Non cash expenses other than Depreciation / Amortisation</b>					<b>-#</b>					<b>-#</b>

### B) Geographical Segments

	31 March 2023				31 March 2022			
	USA	UK & Europe	Rest of World	Total	USA	UK & Europe	Rest of World	Total
a) Segment Revenue	40,542.36	4,534.12	2,871.21	47,947.69	33,894.08	4,551.45	2,857.97	41,303.50
b) Non current assets*	3,958.14	822.51	3,209.86	7,990.51	3,660.82	882.04	3,334.56	7,877.42

\* 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 Nil), individually accounts for more than 10% of group's revenue.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(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
<b>A Parent Company:</b>								
Birlasoft Limited	49.87%	12,209.37	60.43%	2,003.64	-11.78%	(107.54)	44.84%	1,896.10
<b>(A)</b>		<b>12,209.37</b>		<b>2,003.64</b>		<b>(107.54)</b>		<b>1,896.10</b>
<b>B Subsidiaries:</b>								
I Foreign subsidiaries:								
1 Birlasoft Solutions Inc.	26.33%	6,446.42	-1.28%	(42.50)	-15.69%	(143.17)	-4.39%	(185.67)
2 Birlasoft Computer Corporation, USA	4.38%	1,071.66	-1.95%	(64.54)	-8.29%	(75.66)	-3.32%	(140.20)
3 Birlasoft Inc.	26.18%	6,410.55	46.11%	1,528.90	-37.90%	(345.85)	27.98%	1,183.05
4 Birlasoft Consulting Inc. (Subsidiary of Birlasoft Solutions Inc.)	0.30%	73.43	-3.59%	(118.96)	-1.27%	(11.56)	-3.09%	(130.52)
5 Enable Path LLC (Subsidiary of Birlasoft Inc.)	-2.13%	(520.77)	-0.91%	(30.16)	8.59%	78.34	1.14%	48.18
6 Birlasoft Solutions Ltda (Subsidiary of Birlasoft Solutions Inc.)	1.11%	270.73	4.09%	135.77	0.51%	4.65	3.32%	140.42
7 Birlasoft Solutions Mexico, S.A. DE C.V. (Subsidiary of Birlasoft Solutions Inc.)	-0.17%	(42.02)	-0.95%	(31.45)	0.09%	0.84	-0.72%	(30.61)
8 Birlasoft Technologies Canada Corporation (Subsidiary of Birlasoft Computer Corporation, USA)	4.75%	1,163.04	1.13%	37.47	3.71%	33.87	1.69%	71.34
9 Birlasoft Solutions Limited	1.08%	263.39	0.52%	17.39	1.79%	16.36	0.80%	33.75
10 Birlasoft Solutions France	0.90%	220.58	-7.37%	(244.24)	2.37%	21.66	-5.26%	(222.58)
11 Birlasoft (UK) Limited (Subsidiary of Birlasoft Inc.)	0.93%	228.72	1.73%	57.25	1.40%	12.80	1.66%	70.05
12 Birlasoft Solutions GmbH (Subsidiary of Birlasoft Solutions Limited)	0.11%	26.60	1.49%	49.53	-0.15%	(1.38)	1.14%	48.15
13 Birlasoft Solutions ME FZE	0.72%	177.11	-0.55%	(18.18)	-1.45%	(13.23)	-0.74%	(31.41)
14 Birlasoft Sdn Bhd	0.13%	32.57	0.14%	4.72	0.06%	0.59	0.13%	5.31
<b>(B)</b>		<b>15,822.01</b>		<b>1,281.00</b>		<b>(421.74)</b>		<b>859.26</b>
<b>C Consolidation adjustments including intercompany eliminations</b>	-14.49%	(3,548.45)	0.94%	31.20	158.00%	1,441.80	34.84%	1,473.00
<b>D Total (A+B+C)</b>		<b>24,482.93</b>		<b>3,315.84</b>		<b>912.52</b>		<b>4,228.36</b>

## 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.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### (ii) Capital redemption reserve

Represents the nominal amount of:

- Preference share capital: on redemption of 400,000, 0.01% cumulative redeemable preference shares.
- Equity share capital: On buy-back of 7,800,000 fully paid equity shares of ₹ 2/- each.

### (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 2023	31 March 2022
Trade Receivables	7,316.12	6,811.55
Contract assets (including unbilled revenue)	2,709.10	4,528.06
Unearned Revenue	196.70	882.56

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.

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Changes in contract asset (including Unbilled Revenue)	31 March 2023	31 March 2022
Balance at the beginning of the year	4,528.06	3,595.40
Revenue recognised net of invoices raised during the year	(1,818.96)	932.66
<b>Balance at the end of the year</b>	<b>2,709.10</b>	<b>4,528.06</b>

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 2023	31 March 2022
Balance at the beginning of the year	882.56	629.77
Revenue recognised net of unearned revenue for the year	685.86	(252.79)
<b>Balance at the end of the year</b>	<b>196.70</b>	<b>882.56</b>

### 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 2023	31 March 2022
Within one year	1,541.85	3,594.13
More than one year	398.86	10,227.04

- 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 2023	31 March 2022
Opening Balance	313.76	82.32
Cost incurred during the year qualifying as contract fulfilment cost	539.55	391.05
Amortized in the reporting period	685.88	159.61
<b>Closing balance</b>	<b>167.43</b>	<b>313.76</b>

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(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 ₹ 626.9 million (Previous Year ₹ 502.08 million).

#### 2 Defined benefit plan

##### 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.

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

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	600.95	540.24
Current service cost	110.52	84.02
Interest cost	41.11	35.06
Liability Transferred In	0.44	-
Actuarial loss / (gain) recognised in other comprehensive income		
a) changes in demographic assumptions	(7.06)	(0.23)
b) changes in financial assumptions	(4.86)	25.90
c) experience adjustments	14.99	8.38
Benefits paid	(119.51)	(92.42)
Present value of defined benefit obligation at the end of the year	636.58	600.95

Changes in the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	31 March 2023	31 March 2022
Fair value of plan assets at the beginning of the year	256.54	218.56
Actual return on plan assets	17.55	14.18
Employer contribution	-	25.00
Assets Transferred In	0.44	-
Benefits paid	(10.58)	-
Bank Balance in Gratuity Trust Bank account	(1.55)	(1.20)
Fair value of plan assets at the end of the year	262.40	256.54

Analysis of defined benefit obligation	31 March 2023	31 March 2022
Present value of obligation as at the end of the year	636.58	600.95
Fair value of plan assets	262.40	256.54
Net liability recognized in the Balance Sheet	374.18	344.41

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	31 March 2023	31 March 2022
Current service cost	110.52	84.02
Interest cost (net)	23.56	20.88
Expenses recognized in the Statement of Profit and Loss	134.08	104.90

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	31 March 2023	31 March 2022
Actuarial loss / (gain)	3.07	34.05
Actuarial loss / (gain) for the year on assets	1.55	1.20
Net (income) / expense recognized in the OCI	4.62	35.25
<b>Actuarial assumptions:</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Discount rate	7.31%	6.84%
Salary escalation	7% for next 1 year and 6% p.a. for all future years thereafter	6.00%
Attrition Rate		
- 2 years and below	35.00%	25.00%
- 3 years to 4 years	25.00%	20.00%
- 5 years and above	15.00%	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 2023	31 March 2022
Funds managed by insurer	100%	100%

### Expected contribution for the next Annual reporting period.

Particulars	31 March 2023	31 March 2022
Service cost	109.11	130.26
Net interest cost	27.35	23.56
Expected expense for the next annual reporting period	136.46	153.82

### 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 2023		31 March 2022	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(28.64)	31.53	(45.48)	51.46
Future salary growth (1% movement)	34.73	(32.38)	53.52	(47.91)
Demographic Assumptions (1 % movement)	(1.28)	1.12	0.45	(0.83)

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

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 2023	31 March 2022
Within 1 year	86.41	42.77
1-2 year	84.38	45.19
2-3 year	79.54	46.96
3-4 year	79.97	48.38
4-5 year	78.24	51.38
5-6 year	282.30	259.72
Thereafter	281.06	693.43

### Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2023	31 March 2022
Number of active Members	10,736	10,443
Per month salary cost for all active Members (₹ million)	439.29	371.28
Weighted average duration of the projected benefit obligation (years)	8.00	10.00
Average expected future service (years)	4.00	7.00
Projected benefit obligation (PBO)	636.58	600.95

## 31 Related party disclosures

### A. Relationship between the parent and its subsidiaries

Sr. No.	Name of the subsidiary	Country of Incorporation	% voting power held	
			As at 31 March 2023	As at 31 March 2022
<b>Direct subsidiaries</b>				
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
<b>Step down subsidiaries</b>				
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 2023 (Amount in ₹ million)

Sr. No.	Name of the subsidiary	Country of Incorporation	% voting power held	
			As at 31 March 2023	As at 31 March 2022
11	Birlasoft Technologies Canada Corporation (Subsidiary of Birlasoft Computer Corporation, USA)	Canada	100	100
12	Birlasoft Solutions GmbH (Subsidiary of KPIT Infosystems Ltd. (UK))	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.	N.A.
<b>Enterprise having significant influence over the entity</b>				
16	National Engineering Industries Limited	India	N.A.	N.A.
<b>Public Company in which a director is a director and holds, along with his relatives, greater than 2% of its paid-up share capital</b>				
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
Chairperson and Non-Executive Director	Mrs. Amita Birla	Chairperson and Non-Executive Director
	Mr. Chandrakant Birla	Non-Executive Director
	Mr. Anant Talaulicar (upto 20 October 2022)	Independent Director
	Ms. Alka Bharucha	Independent Director
	Mr. Ashok Kumar Barat	Independent Director
	Mr. Ananth Sankaranarayanan (w.e.f. 2 February 2023)	Independent Director
	Ms. Nandita Gurjar	Independent Director
	Mr. Dharmander Kapoor (upto 30 November 2022)	Chief Executive Officer & Managing Director
	Mr. Angan Guha (w.e.f. 1 December 2022)	Chief Executive Officer & Managing Director
	Mr. Chandrasekar Thyagarajan (upto 2 February 2023)	Chief Financial Officer
	Ms. 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 with whom there are transactions

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 previous year, Birlasoft GmbH, a wholly owned step-down subsidiary of the Company has been liquidated.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

The management approved and authorized the merger of Enable Path LLC (Subsidiary of Birlasoft Inc.) into the Birlasoft Inc. upon the terms and conditions as set forth in the Agreement and Plan of Merger, effective 01 April 2023.

## E. Summary of Transactions with related parties

Particulars	Directors interested companies		KMP		Relatives of Director's and KMP's		Others		Total 31 March 2023	Total 31 March 2022
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022		
<b>I Transaction during the year</b>										
Sales	26.92	12.41	-	-	-	-	7.66	8.57	34.58	20.98
Reimbursement of Expenses	-	-	0.38	0.20	-	-	32.32	-	32.70	0.20
Other Expenses	-	-	-	-	-	-	75.14	51.26	75.14	51.26
Dividend	-	-	3.48	2.42	-	-	508.07	451.63	511.55	454.05
Remuneration (including salary, perquisites, employment benefit plans)	-	-	582.34	244.18	0.40	0.36	-	-	582.74	244.54
Commission and sitting fees paid	-	-	31.65	2717	-	-	-	-	31.65	2717
<b>II Outstanding Balance at year end</b>										
Trade Receivable	8.13	2.58	-	-	-	-	-	2.14	8.13	4.72
Other Receivable / (Payable)	-	-	1.62	1.80	-	-	(40.29)	0.21	(38.67)	2.01

## F. Transactions with related parties

Relationship	Transaction	Related party name	31 March 2023	31 March 2022
Directors interested companies	Sales	Orient Cement Limited	1.71	1.17
		Orient Electric Limited	25.21	11.24
			<b>26.92</b>	<b>12.41</b>
KMP	Reimbursement of Expenses	Chandrasekar Thyagarajan	0.05	0.07
		Dharmander Kapoor	0.19	0.10
		Sneha Padve	0.14	0.03
			<b>0.38</b>	<b>0.20</b>
	Remuneration #	Chandrasekar Thyagarajan	43.41	31.73
		Angan Guha	110.43	-
		Dharmander Kapoor	419.08	201.09
		Sneha Padve	9.42	11.36
			<b>582.34</b>	<b>244.18</b>
	Commission and sitting fees paid	Alka Bharucha	3.55	3.05
Amita Birla		14.15	10.67	
Anant Talaulicar		3.30	3.70	
Ashok Kumar Barat		4.25	4.00	
Chandrakant Birla		2.60	2.50	
Nandita Gurjar		3.65	3.25	
Ananth Sankaranara		0.15	-	
			<b>31.65</b>	<b>27.17</b>
Dividend	Dharmander Kapoor	3.38	2.42	
	Sneha Padve	0.10	0.00*	
	Nandita Gurjar	0.00*	-	
		<b>3.48</b>	<b>2.42</b>	



## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Relationship	Transaction	Related party name	31 March 2023	31 March 2022
Relatives of Director's and KMP's	Remuneration	Siddhant Padve	0.40	0.36
Others	Dividend	National Engineering Industries Limited	484.81	430.95
		Central India Industries Ltd.	23.26	20.68
			<b>508.07</b>	<b>451.63</b>
	Reimbursement of Expenses	CK Birla Corporate Services Limited	32.32	-
	Other Expenses	CK Birla Corporate Services Limited	75.14	51.26
	Sales	CK Birla Corporate Services Limited	7.66	8.57

\*Since denominated in ₹ Million

# Remuneration includes share based payments to Dharmender Kapoor ₹ 364.55 million (previous year ₹ 149.34 million), to Chandrasekar Thyagarajan ₹ 13.14 million (previous year nil), to Sneha Padve ₹ 3 million (previous year ₹ 5.22 million)

**Notes:**

- 1) Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.
- 2) All transactions with these related parties are priced on an arm's length basis.
- 3) 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.

**32 Lease transactions**

Following is movement in lease liabilities

Particulars	31 March 2023	31 March 2022
Opening Balance	1,228.29	1,281.10
Additions	94.42	246.44
Finance cost during the period	91.01	99.40
Deletions	4.62	-
Payment of lease liabilities	402.79	404.71
Exchange difference	12.00	6.06
<b>Closing Balance</b>	<b>1,018.31</b>	<b>1,228.29</b>

The following is breakup of current and non-current lease liabilities

Particulars	31 March 2023	31 March 2022
Current lease liabilities	356.19	316.71
Non-current lease liabilities	662.12	911.58
<b>Total</b>	<b>1,018.31</b>	<b>1,228.29</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	31 March 2023	31 March 2022
Less than one year	429.11	405.43
One to five years	666.27	986.97
More than five years	50.48	1.98
<b>Total</b>	<b>1,145.86</b>	<b>1,394.38</b>

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.

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

**Amount recognised in profit and loss statement :**

Particulars	31 March 2023	31 March 2022
Finance cost on lease liabilities	91.01	99.40
Expense relating to short term leases	39.18	22.05
Expense relating to leases of low value assets excluding short term leases of low value assets	5.57	1.16
Expenses relating to variable lease payments not included in measurement of lease liabilities	5.99	4.43
<b>Total</b>	<b>141.75</b>	<b>127.04</b>

**Amount recognised in statement of cash flows**

Particulars	31 March 2023	31 March 2022
Repayment of lease liabilities	402.79	405.22
<b>Total</b>	<b>402.79</b>	<b>405.22</b>

**33 Basic and diluted earnings per share**

Particulars		31 March 2023	31 March 2022
<b>Nominal value per equity share</b>	₹	2.00	2.00
Profit for the year	₹ (million)	3,315.84	4,636.38
Weighted average number of equity shares outstanding at the end of the year	No. of shares	277,128,994	278,842,047
<b>Earnings per share – basic</b>	₹	<b>11.96</b>	<b>16.63</b>
Effect of dilutive potential equity shares -			
Weighted average number of diluted equity shares outstanding at the end of the year	No. of shares	278,121,455	282,193,793
<b>Earnings per share – diluted</b>	₹	<b>11.92</b>	<b>16.43</b>

**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**

Sr. No.	Particulars	31 March 2023	31 March 2022
1	Outstanding bank guarantees in routine course of business	60.71	96.88
2	Service Tax matters (excluding interest and penalty) (Refer note (i) below)	685.45	685.45
3	Income tax matters (refer note (ii) below)	710.65	697.68
4	Other matters (Refer note (iii) below)	55.95	32.49

**Note:****(i) Service tax matters**

- a. The Company has filed an appeal before Central Excise and Service Tax Appellate Tribunal against the order received from Commissioner of Central Excise & Service Tax, Pune I for the period April 2014 to March 2015 demanding service tax on:

- ₹ 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'.

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

- ₹ 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 filed an appeal before Central Excise and Service Tax Appellate Tribunal against the order received from Commissioner (Appeals - I), Central Excise & Service Tax, Pune for the period April 2010 to June 2012 demanding service tax on:
  - ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses.
- 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 (previous year ₹ 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 e) disallowance of section 80G claim and f) Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 108.75 million (previous year ₹ 95.78 million).

### (iii) Other matters

#### a. These matters pertain to the transferee company acquired pursuant to the composite scheme.

₹ 19.47 million (previous year ₹ 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 (previous year ₹ 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 (previous year ₹ 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 Court heard the Arguments and directed the respondent Board TNEB to file appropriate petition before the Tamil Nadu Electricity Regulatory Commission for appropriate order passed by the Commission. Case disposed on 26 August 2019. It is found that

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023 (Amount in ₹ million)

TNEB has not yet filed any application to that effect. Further, none of the other similar consumers such as Birlasoft have approached the TNERC. Once TNEB files an application before the TNERC and Birlasoft receives notice of the said application further proceedings will take place. There is yet not any finality on the alleged demand.

- d. ₹ 2.43 million (BRL 150,277) (previous year 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.
- e. ₹ 25.77 million (\$313,692) (previous year Nil) (excluding interest) pertains to employee related claims in one of the subsidiaries of the Company which are still in negotiation and settlement.

### 2 Provisions Onerous contract

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. Movement in provision is as below.

Particulars	31 March 2023	31 March 2022
Carrying amount as at beginning of the year	-	26.09
Additional provision made/ reversed during the year	3.96	(26.09)
Carrying amount as at end of the year	3.96	-

### 3 Provision for lease restoration cost

As per Ind AS 37, the Group has made provision for future lease restoration expense of ₹ 4.23 million (Previous year ₹ 3.92 million) in respect leased premises. The same is expected to be utilized at the end of the lease period in 2026.

Particulars	31 March 2023	31 March 2022
Carrying amount as at beginning of the year	3.92	3.41
Additional provision made during the year	0.31	0.51
Amount paid/utilized during the year	-	-
Carrying amount as at end of the year	4.23	3.92

### 4 Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 179.06 million (Previous Year ₹ 387.56 million)
- b. Intangibles - ₹ 0.74 million (Previous Year ₹ 23.42 million)

## 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.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Particulars	31 March 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	190,800	58.74	460,400	58.53
Granted during the year	-	-	-	-
Forfeited / surrendered / Adjusted during the year	12,100	58.74	22,850	58.74
Exercised during the year	98,900	58.74	231,300	58.33
Lapsed during the year	5,400	58.74	15,450	58.74
Options outstanding at the end of year	74,400	58.74	190,800	58.74
Options exercisable at the end of the year	74,400	58.74	190,800	58.74

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 313.69 (Previous year ₹ 435.78).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	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	0.41	74,400	1.06	190,800
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 2023 and 31 March 2022.

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.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	31 March 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	161,200	61.64	385,900	59.95
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	2,800	58.74	30,000	58.74
Exercised during the year	56,250	58.74	183,750	58.74
Lapsed during the year	2,550	58.74	10,950	58.74
Options outstanding at the end of year	99,600	63.43	161,200	61.64
Options exercisable at the end of the year	99,600	63.43	161,200	61.64

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ 313.52 (Previous year ₹ 436.46).

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	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	0.68	99,600	1.22	161,200
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 2023 and 31 March 2022.

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.

Employee Stock Option Plan- 2006 and Employee Stock Option Plan- 2015 (Share based payment schemes of the Company) were administered by the Employee Welfare Trust (EWT). Under the Composite scheme of arrangement, 2019, the EWT was transferred to KPIT Technologies Limited (erstwhile KPIT Engineering Limited). Hence, Company has not done any further allotments against exercise of these options, as the same has been already allotted EWT during the previous years.

## 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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	214,675	3.10	990,233	3.10
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	127,691	3.10	775,558	3.10
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	86,984	3.10	214,675	3.10
Options exercisable at the end of the year	86,984	3.10	214,675	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 ₹ 293.91 (Previous year ₹ 349.55).

The weighted average remaining contractual life are as follows:

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Range of Exercise Price	31 March 2023		31 March 2022	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	86,984	2.31	214,675
₹ 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 2023 and 31 March 2022.

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.

#### 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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	6,309,753	207.26	6,648,575	79.66
Granted during the year	-	-	2,353,500	423.56
Forfeited / surrendered during the year	608,786	261.01	1,463,500	97.12
Exercised during the year	1,891,931	66.85	1,228,822	62.34
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	3,809,036	268.41	6,309,753	207.26
Options exercisable at the end of the year	1,545,500	268.41	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 ₹ 303.97 (Previous year ₹ 457.52).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	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	1.25	1,479,036	2.38	3,504,181
Greater than ₹ 100	3.08	2,330,000	2.66	2,805,572

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

following assumptions:

Particulars	31 March 2023	31 March 2022
1. Exercise price (₹)	NA	423.56
2. Price of the underlying share in market at the time of the option grant (₹)	NA	423.56
3. Weighted average fair value of options granted (₹)	NA	196.55
4. Expected life of the option (years)	NA	4.16
5. Risk free interest rate (%)	NA	5.45%
6. Expected volatility (%)	NA	54.23%
7. Dividend yield (%)	NA	0.64%

The Group recorded an employee compensation cost of ₹ 170.10 million (Previous year ₹ 94.05 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.

Number and weighted average exercise prices of units granted, exercised and cancelled/lapsed during the financial year.

Particulars	31 March 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Units outstanding at the beginning of the year	1,439,255	2.00	1,644,863	2.00
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	102,804	2.00	-	-
Exercised during the year	1,154,843	2.00	205,608	2.00
Lapsed during the year	-	-	-	-
Units outstanding at the end of the year	181,608	2.00	1,439,255	2.00
Units exercisable at the end of the year	78,804	2.00	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 ₹ 288.96 (Previous year ₹ 521.58).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	Weighted average contractual life (years)	No. of Units Outstanding	Weighted average contractual life (years)	No. of Units Outstanding
₹ 0 to ₹ 50	2.38	181,608	4.40	1,439,255
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
Greater than ₹ 100	NIL	NIL	NIL	NIL

## Notes forming part of the Consolidated financial statements for the year ended 31 March 2023 (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 2023 and 31 March 2022.

The Group recorded an employee compensation cost of ₹ 10.92 million (Previous year ₹ 38.01 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.

### 6 Share Incentive Plan – 2022

The Board of Directors and the shareholders of the Company approved Birlasoft Share Incentive Plan 2022 ("SIP 2022") at their meetings held on May 23, 2022 and August 3, 2022. The Nomination and Remuneration Committee of the Board of Directors of the Company ("the NRC") implements and administers this SIP 2022 Plan. Each Performance Stock Unit ("PSU") / Restricted Stock Unit ("RSU") collectively referred to as "Awards" carries with it the right to be converted into one equity share of the Company. The PSUs/RSUs 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 Awards. The vesting criteria of the Awards is determined by the NRC and is provided to employee in the Letter 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 2023		31 March 2022	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Units outstanding at the beginning of the year	-	-	NA	NA
Granted during the year	2,952,000	2.00	NA	NA
Forfeited / surrendered during the year	41,500	2.00	NA	NA
Exercised during the year	-	-	NA	NA
Lapsed during the year	-	-	NA	NA
Units outstanding at the end of year	2,910,500	2.00	NA	NA
Units exercisable at the end of the year	-	-	NA	NA

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2023		31 March 2022	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	5.83	2,910,500	NA	NA
₹ 50 to ₹ 100	NIL	NIL	NA	NA
Greater than ₹ 100	NIL	NIL	NA	NA

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 2023	31 March 2022
1. Exercise price (₹)	2.00	NA
2. Price of the underlying share in market at the time of the option grant (₹)	289.71	NA
3. Weighted average fair value of options granted (₹)	271.79	NA
4. Expected life of the option (years)	3.76	NA
5. Risk free interest rate (%)	7.09%	NA
6. Expected volatility (%)	50.67%	NA
7. Dividend yield (%)	1.55%	NA

## Notes forming part of the Consolidated financial statements for the year ended 31 March 2023 (Amount in ₹ million)

The Group recorded an employee compensation cost of ₹ 107.73 million (Previous year Nil) 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.

### 36 Income taxes

The income tax expense consists of following:

Particulars	31 March 2023	31 March 2022
<b>Tax expense</b>		
<b>1 Income tax charged to statement of profit and loss</b>		
Tax on the profit	1,277.82	1,523.68
<b>Total current tax charge (a)</b>	<b>1,277.82</b>	<b>1,523.68</b>
<b>2 Deferred tax charge</b>		
Attributable to -		
Origination and reversal of temporary differences	(169.44)	6.56
<b>Total deferred tax charge (b)</b>	<b>(169.44)</b>	<b>6.56</b>
<b>Total tax charge (a + b)</b>	<b>1,108.38</b>	<b>1,530.24</b>

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 2023	31 March 2022
<b>Profit before tax</b>	<b>4,424.22</b>	<b>6,166.62</b>
Indian statutory income tax rate	25.17%	25.17%
Expected tax expense	1,113.58	1,552.14
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Effect relating to prior years	(70.69)	(43.49)
Effect of permanent adjustments	(112.82)	(77.69)
Effect of differential overseas tax rates	82.97	62.22
Effect of unrecognized deferred tax assets	101.10	20.22
Others (net)	(5.76)	16.84
<b>Total income tax expense</b>	<b>1,108.38</b>	<b>1,530.24</b>

Some subsidiaries of the Group have unabsorbed depreciation and losses under respective local tax laws and deferred tax assets on temporary differences have been recognized only to the extent of deferred tax liabilities. The amount of such unrecognised deferred tax assets is ₹ 53.96 million (Previous year - ₹ 16.13 million).

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

### Deferred Tax

The gross movement in the deferred income tax account for the year ended 31 March 2023 is as follows:

Particulars	Opening Balance	Recognised through Profit & Loss	Recognised in/ reclassified from OCI	Translation Difference	Closing Balance
<b>Deferred tax asset/(liabilities) in relation to:</b>					
- Provision for doubtful debts and advances	98.13	247.26	-	17.67	363.06
- Provision for compensated absences	123.54	28.24	-	5.47	157.25
- 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	(18.97)	-	6.60	150.05
- Transaction cost	54.64	(54.47)	-	-	0.17
- Accrued expenses	11.42	19.58	-	1.20	32.20
- Unearned revenue	17.08	(9.67)	-	1.25	8.66
- Lease liabilities	310.55	(65.02)	-	3.04	248.57
- Social security deferral	42.98	(53.48)	-	2.56	(7.94)
- Others	(1.39)	1.39	-	-	-
- Tax on losses	-	198.51	-	3.92	202.43
- Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/ amortisation provided in accounts	(13.57)	2.93	-	(1.08)	(11.72)
- Forward contracts designated as cash flow hedges	(17.30)	-	35.02	-	17.72
- Right-of-use assets	(267.06)	60.49	-	(2.73)	(209.30)
- Investments in Mutual Fund at fair value through Profit & loss	(1.49)	(0.49)	-	-	(1.98)
- Others (mainly includes employee related provision)	314.67	(186.86)	-	8.36	136.17
<b>Net deferred tax asset</b>	<b>920.06</b>	<b>169.44</b>	<b>35.02</b>	<b>46.26</b>	<b>1,170.78</b>

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
<b>Deferred tax asset/(liabilities) in relation to:</b>					
- 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
- Transaction cost	109.10	(54.46)	-	-	54.64

## Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

Particulars	Opening Balance	Recognised through Profit & Loss	Recognised in/ reclassified from OCI	Translation Difference	Closing Balance
- 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)
<b>Net deferred tax asset</b>	<b>882.01</b>	<b>(6.56)</b>	<b>25.55</b>	<b>19.06</b>	<b>920.06</b>

### 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, 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 2023	31 March 2022
Opening balance	4,567.82	4,476.28
Translation differences	328.00	91.54
<b>Closing balance</b>	<b>4,895.82</b>	<b>4,567.82</b>

Allocation of goodwill to Cash Generating Units (CGUs)

Cash Generating Unit (CGU)	31 March 2023	31 March 2022
Manufacturing	2,145.84	2,002.07
Banking, Financial Services and Insurance	873.51	813.63
Energy and Utilities	789.60	774.92
Life Sciences	1,086.87	977.20
	<b>4,895.82</b>	<b>4,567.82</b>

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

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 of these CGUs are based on future discounted free cash flows using an annual revenue growth rates for period subsequent to forecast period upto 5 years and the discount rate. An analysis of sensitivity of the computation to a change in key parameters (discount rates and terminal growth rates), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGUs would decrease below its carrying amount. The range of each assumption used is mentioned below:

Assumption	31 March 2023	31 March 2022
Terminal growth rate	4%	4%
Discount rate	18%	14%

**38** Birlasoft Solutions Inc. ("BSI"), a subsidiary of the Company, had received intimation that Invacare Corporation ("Invacare"), a customer in the US, had filed a petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court, on 01 February 2023. Accordingly, the Company had created a provision amounting to INR 1,510.14 million against the outstanding receivables and contract assets.

Further BSI has entered into a Settlement and Mutual Release Agreement with Invacare. This Agreement follows consultations after the filing of voluntary Chapter 11 proceedings under the Bankruptcy Code by Invacare on 1 February 2023. The Bankruptcy & Reorganization proceedings were filed by Invacare Corp in Houston, Texas and a global reorganization plan was filed, wherein Invacare and BSI terminated the Master IT Services Agreement (MITSA) in January 2023. As per the Settlement Agreement approved on 24 April 2023, parties have mutually provided releases and waiver from claims. BSI would receive \$2 million for Disengagement Services ending on 31 May 2023.

## 39 Other explanatory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group does not have any transactions with companies struck off.
- The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- The Group has non-fund based working capital facilities from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

# Notes forming part of the Consolidated financial statements

for the year ended 31 March 2023

(Amount in ₹ million)

## 40 Corporate Social Responsibility

Particulars	31 March 2023	31 March 2022
A. Gross amount required to be spent by the company during the year	60.41	49.14
B. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	48.05	29.14
C. Shortfall at the end of the year	12.36	20.00
D. Total of previous years shortfall	8.00	-
E. Reason for shortfall	Refer note below	
F. Nature of CSR activities	1. Environment Sustainability 2. Promoting & Preventive Healthcare 3. Promoting education and skill development	
G. Related party transaction	NA	NA
H. Movement in CSR Provisions		
Carrying amount as at beginning of the year	20.00	-
Provision made during the year	12.36	20.00
Amount paid/utilized during the year	(12.00)	-
Carrying amount as at end of the year	20.36	20.00

### Reason for shortfall

During the year, the Company identified and initiated an ongoing project amounting to INR 12.36 million, the duration of which is 13 months. The said amount being unspent as on 31 March 2023, has been transferred to the Unspent CSR Account on 26 April 2023, as required by Section 135(6) of the Companies Act, 2013

**41** 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: 08 May 2023

### For and on behalf of the Board of Directors of

#### Birlasoft Limited

CIN: L72200PN1990PLC059594

#### Amita Birla

Chairman

DIN: 00837718

Place: New Delhi

Date: 08 May 2023

#### Sneha Padve

Company Secretary

Place: Pune

Date: 08 May 2023

#### Angan Guha

CEO &amp; Managing Director

DIN: 09791436

Place: Pune

Date: 08 May 2023

#### Kamini Shah

Chief Financial Officer

Place: Pune

Date: 08 May 2023

birlasoft

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](mailto:contactus@birlasoft.com) | Website: [www.birlasoft.com](http://www.birlasoft.com)

## NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of Birlasoft Limited will be held on Thursday, July 27, 2023, at 02:30 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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 ₹ 2/- (100%) per equity share of face value of ₹ 2/- each, for the financial year ended March 31, 2023; 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, 2023, approved by the Board of Directors at their meeting held on October 21, 2022, 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, 2023 at the rate of ₹ 2/- (100%) 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 Chandrakant Birla as a Director liable to retire by rotation

To re-appoint Chandrakant Birla (DIN: 00118473), 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, Chandrakant Birla (DIN: 00118473), 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."

#### 5. Appointment of M/s. S R B C & Co LLP, Chartered Accountants (Registration No. 324982E/E300003) as Statutory Auditors of the Company and to fix their remuneration

To appoint M/s. S R B C & Co LLP, Chartered Accountants as Statutory Auditors of the Company for the period of five years commencing from the conclusion of this Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the year 2028 on such remuneration as may be mutually agreed by and between the Board of Directors of the Company and the Auditor 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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory

modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the year 2028, at such remuneration as may be decided by the Board of Directors of the Company (or any committee thereof) in consultation with the Statutory Auditors.

**RESOLVED FURTHER THAT** any one Director, the Chief Financial 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 necessary and expedient to give effect to this resolution."

### SPECIAL BUSINESS

#### 6. To approve commission be paid to the Non-Executive Directors of the Company, for a period of five years commencing from the financial year 2024-25

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 (the "Act") 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 and the Articles of Association of the Company and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (the "Board"), approval of the Members of the Company be and is hereby accorded for payment of commission for a period of five years from the financial year 2024-25, to any one or more or all of the existing Non-Executive Directors ("NEDs") of the Company or NEDs to be appointed in future, of such an aggregate amount not exceeding 1% (one percent) of the net profits of the Company for the relevant financial year, computed in the manner laid down under Section 198 of the Act, as may be determined by the Board and distributed between the NEDs in such amounts or proportions and in such manner as the Board may, from time to time, decide.

**RESOLVED FURTHER THAT** any one Director, the Chief Financial 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 necessary and expedient to give effect to this resolution."

By order of the Board of Directors  
**For Birlasoft Limited**

Pune  
May 8, 2023

Sneha Padve  
Company Secretary  
Membership Number: A9678



**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), 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 this Annual General Meeting (the "AGM") are also annexed hereto.
3. Pursuant to General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 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 2022-23, 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 2022-23 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](http://www.bseindia.com) and [www.nseindia.com](http://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, 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 14, 2023**, as the "**Record Date**" for determining eligibility of the Members to receive final dividend for the financial year ended March 31, 2023, 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 **Thursday, July 20, 2023**.
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](mailto:jbbhave@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 14, 2023 (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 14, 2023 (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 Permanent Account Number ("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](mailto: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](mailto: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 no SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, before October 01, 2023, to avoid freezing of their folios:
  - **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 [www.linkintime.co.in](http://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; subdivision/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-reportsfilings#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 held 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 [secretarial@birlasoft.com](mailto:secretarial@birlasoft.com). The same will be replied to 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](mailto:secretarial@birlasoft.com).
28. The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2014-15, 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](mailto: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 ₹ 1,772,457/- being unclaimed dividend and 5,039 corresponding shares to IEPF, pertaining to the financial year 2014-15.

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](http://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 Bhawe - Proprietor of J. B. Bhawe & Co., 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](mailto: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**

[Pursuant to the provisions of Section 102 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**Item No.: 5**

M/s. B S R & Co LLP (Firm Registration No. 101248W/W100022), Chartered Accountants, have been the Statutory Auditors of the Company since their first appointment at the Annual General Meeting of the Company held on July 12, 2013. Pursuant to the provisions of Section 139 (2) of the Companies Act 2013 (the "Act"), read with applicable Rules framed thereunder, the term of the present Statutory Auditors expires at the conclusion of this AGM. The Board of Directors place on record their appreciation for the services rendered by M/s. B S R & Co LLP, Chartered Accountants.

Accordingly, the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 8, 2023, proposed the appointment of M/s. S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of this AGM till the conclusion of 37<sup>th</sup> AGM to be held in the year 2028.

M/s. S R B C & Co LLP have consented to the aforesaid appointment and confirmed that their appointment, if made, will be in accordance with the provisions of the Sections 139, 141 and other relevant provisions the Act and the Companies (Audit and Auditors) Rules, 2014.

**Details as required under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:**

- The fee proposed to be paid to M/s. S R B C & Co LLP towards statutory audit for financial year 2023-24 shall not exceed ₹ 1.10 crore, plus out of pocket expenses, with the authority to the Board to make revisions as it may deem fit for the balance term, based on the recommendation of the Audit Committee.

The fee for services in the nature of statutory certifications and other permissible non-audit services will be in addition to the statutory audit fee as above, and will be decided by the management in consultation with the Statutory Auditors. The provision of such permissible non-audit services will be reviewed and approved by the Audit Committee.

- There is no material change in the proposed fee for the auditor from that paid to the outgoing auditor.
- The Audit Committee and the Board of Directors, while recommending the appointment of M/s. S R B C & Co LLP as the Statutory Auditor of the Company, have taken into consideration, among other things, the credentials of the firm and partners, proven track record of the firm and eligibility criteria prescribed under the Act.

M/s. S R B C & Co LLP ("the Firm") is a Limited Liability Partnership Firm incorporated in India and is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI") with Registration No. 324982E/E300003. The Firm is part of S. R. Batliboi & Affiliates, a network of firms registered with ICAI. The Firm was established in 2002 with its registered office in Kolkata and has offices across key cities in India. The Firm has a valid Peer Review certificate.

All the network firms including the Firm are primarily engaged in providing audit and assurance services, certain tax and financial accounting advisory services to its clients. They audit several large listed and private companies across diverse market segments including Industrial, Infrastructure, Consumer Products, Financial Services, Technology, Media and Entertainment, Telecommunications and Professional Services.

None of the 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 resolution for approval of the Members of the Company, as set out at Item No. 5 of the Notice.

**Item No.: 6**

Section 197 of the Companies Act, 2013, permits payment of remuneration to the Non-Executive Directors of a Company by way of commission, if the Company authorizes such payment by way of a resolution of Members. Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, authorizes the Board of Directors to recommend all fees and compensation, if any, to the Non-Executive Directors, including Independent Directors and shall require approval of the Members in general meeting.

The Members, at the Annual General Meeting held on August 7, 2019, had approved payment of commission not exceeding 1% of the net profits to Non-Executive Directors of the Company, for a period of five years from the financial year 2019-20. The said approval is valid till FY 2023-24.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors and to acknowledge their contribution to the growth of the Company, it is proposed to continue paying commission to the Non-Executive Directors of the Company, every year, for another period of five years starting with the financial year 2024-25, not exceeding 1% of the net profits, based on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

Such payment will be in addition to the sitting fees for attending Board/Committee meetings or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board/Committee meetings.

All the Non-Executive Directors of the Company and their respective relatives will be deemed to be concerned or interested in the proposed resolution to the extent of the remuneration

that the Non-Executive Directors may be paid pursuant to this resolution.

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 resolution for approval of the Members of the Company, as set out at Item No. 6 of the Notice.

**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	Chandrakant Birla
Director Identification Number	00118473
Age	68 years
Qualification	Bachelor of Arts
Experience (Years)	45
Expertise in specific functional areas	Industrialist having rich business experience in managing diversified industrial enterprises.
Brief resume of the Director	Chandrakant 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. He is a keen philanthropist committed to social development; the advancement of Science, Technology, Art and Culture and the preservation of heritage. A brief profile of Chandrakant Birla is provided elsewhere in Annual report.
Date of first appointment	January 15, 2019
Terms and conditions of re-appointment	Re-appointment upon retirement by rotation
Remuneration last drawn	Kindly refer the Corporate Governance Report section of this Annual Report.
Remuneration proposed to be given	Shall be eligible for the following: <ul style="list-style-type: none"> <li>a) Sitting fees for attending meetings of the Board or committee thereof or for any other purpose whatsoever as may be decided by the Board;</li> <li>b) Reimbursement of expenses for participation in the Board and other meetings;</li> <li>c) Profit related commission as may be approved by the Members.</li> </ul>
Number of Board meetings of the Company attended during the year	Kindly refer report on the Corporate Governance annexed to this Annual Report.
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	<ul style="list-style-type: none"> <li>a) Orient Paper &amp; Industries Limited</li> <li>b) Orient Cement Limited</li> <li>c) Orient Electric Limited</li> <li>d) HIL Limited</li> <li>e) Orient Electric Limited                             <ul style="list-style-type: none"> <li>• Member of Nomination &amp; Remuneration Committee</li> </ul> </li> <li>f) Orient Cement Limited                             <ul style="list-style-type: none"> <li>• Member of Nomination &amp; Remuneration Cum Compensation Committee;</li> <li>• Member of Implementation Committee;</li> <li>• Member of Fund Raising Committee; and</li> <li>• Member of Employee Stock Option Allotment Committee.</li> </ul> </li> <li>g) HIL Limited                             <ul style="list-style-type: none"> <li>• Member of Nomination &amp; Remuneration Cum Compensation Committee</li> </ul> </li> </ul>

Particulars	Chandrakant Birla
Directorships held in other Companies/Branches (as on March 31, 2023)	a) National Engineering Industries Limited b) Avtec Limited c) Birla Brothers Pvt. Ltd. d) Neosym Industry Limited e) Birlasoft Inc., U.S.A. f) Birlasoft (UK) Limited, London g) ASS AG, Switzerland
Memberships/Chairmanships of committees of other Companies	a) National Engineering Industries Limited • Member of Nomination & Remuneration Committee b) Birla Brothers Private Limited • Member of Nomination & Remuneration Committee
Number of shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel or their respective relatives	Spouse of Mrs. Amita Birla.

**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:

- i. Twice the rate specified in the relevant provision of the IT Act; or
- ii. Twice the rate or rates in force; or
- iii. 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 ₹ 50,000/-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.

Further, as per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the IT Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions will be effective from July 1, 2023. Members may visit <https://www.incometax.gov.in/iec/foportal/> for FAQs issued by Government on PAN and Aadhar linking.

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 14, 2023 (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)
Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Member	10%	N.A.
An Individual having dividend income more than ₹ 5000 and furnishing Form 15G/15H	NIL	a) Copy of PAN card b) Declaration in Form No. 15G (applicable to an individual who is less than 60 years) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.
Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the IT Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	a) Copy of PAN card b) Copy of lower tax withholding certificate obtained from Income Tax Department
No/Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Member	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) Copy of PAN Card.
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) Copy of PAN Card.
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) Copy of PAN Card.

**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 PAN Card.
b. Other Non-Resident Members		b) Copy of Tax Residency certificate issued by revenue authority of country of residence of Member for the financial year 2023 and financial year 2024 (covering the period from April 1, 2023 to March 31, 2024) c) Members who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <a href="https://eportal.incometax.gov.in/">https://eportal.incometax.gov.in/</a> with effect from April 1, 2023 to avail the benefit of DTAA. d) Members who are not having PAN in India or who are not required to obtain PAN in India are exempted from mandatory electronic filing of Form 10F, however they are required to submit the manual Form 10F which should be duly signed. e) Declaration regarding Tax residency and Beneficial ownership of shares; Self-declaration for not having Permanent Establishment in India in accordance with the applicable Tax Treaty; [on Member's letterhead] 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 **Thursday, July 20, 2023**. The remote e-voting period commences on Saturday, July 22, 2023 (09:00 a.m. IST) and ends on Wednesday, July 26, 2023 (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. Thursday, July 20, 2023, 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. **Thursday, July 20, 2023**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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.nsdl.com](http://www.evoting.nsdl.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. **Thursday, July 20, 2023** 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. Thursday, July 20, 2023.
- 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"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-voting</b>” under e-voting services and you will be able to see e-voting page. Click on company name or <b>e-voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speed-e</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing Myeasi username &amp; password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-voting service providers, so that the user can visit the e-voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile number &amp; email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</li> </ol>
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**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?**

1. 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.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.

4. 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***

5. Password details for shareholders other than individual shareholders are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) How to retrieve your 'initial password'?
  - (i) 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'.
  - (ii) 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.**

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

- a. 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](http://www.evoting.nsdl.com).
- b. **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) to Amit Vishal, 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 Bhave, Proprietor, J. B. Bhave & Co., 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](http://www.birlasoft.com) and on the website of NSDL at [www.evoting.nsdl.com](http://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](mailto: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](mailto: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](mailto: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 [abhinandan.singh@birlasoft.com](mailto:abhinandan.singh@birlasoft.com) from Thursday, July 13, 2023 (09:00 a.m. IST) to Thursday, July 20, 2023 (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.

## NOTES

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# Birlasoft's Global Presence

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### Registered Office

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Phase – II, Noida – 201305,  
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