

Agile by DNA

ANNUAL REPORT 2020-21

BOARD OF DIRECTORS

Amita Birla
Chairman

Chandrakant Birla
Director

Ashok Kumar Barat
Independent Director

Anant Talaulicar
Independent Director

Alka Bharucha
Independent Director

Nandita Gurjar
Independent Director

Dharmender Kapoor
Chief Executive Officer
& Managing Director

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Chandrasekar Thyagarajan
Chief Financial Officer
(Appointed w.e.f. August 21, 2020)

Sneha Padve
Company Secretary

Auditors

Statutory Auditor
B S R & Co. LLP
Chartered Accountants

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

Internal Auditor
Ernst & Young LLP
Chartered Accountants

Legal Advisor

Khaitan & Co.

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
- DBS Bank Limited

Registrar & Transfer Agent

Link Intime India Private Limited

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Chairman's Letter - FY 2021

Dear Shareholders,

Another unusual year, after anticipating that the last one would be the most challenging, awaits us this year. 2021 will see COVID-19 rearrange our travel, our supply chains, our ability to predict much in advance. However, there is undeniable benefit from the worldwide rollout of vaccines, and this is already evident. We are coming to grips with how to manage our lives and manage our businesses with more agility and creativity. The worst is not behind us, but there are certainly better times to come. I am cautiously optimistic and have reason to be so.

The financial year 2021 was meant to be the year of consolidation. It was the year where we would see the convergence of all systems, processes, and programs to leverage the strengths of the 'new' Birlasoft. It was a year of going out, all guns blazing, and realizing the bold goals we had set for ourselves! However, this insidious little virus had other plans. In the blink of an eye, everything had changed. The world had become an unsafe place. Streets that used to be bustling with traffic were deserted. Economic activity came to a standstill, people stopped buying, planes stopped flying, and our world became confined to the four walls of our homes. Against this backdrop, let us pause for a minute and take stock of where we are: FY 20-21 has been an exceptional year for Birlasoft, despite the odds. The Company reported revenues of ₹ 35,557 Million, a growth of 8% YoY. The profitability stood at ₹ 3,208 Million and witnessed a jump of 43% on a yearly basis. We signed record deals amounting to US\$ 888 Million while keeping our overall attrition low and maintaining strong cash flow through the year. Customer sentiment stayed consistently strong, as evident in our NPS scores and our share price at a record high, a testimony to our investor sentiment.

The journey hasn't been an easy one. We had to question and unlearn all that we knew and quickly pivot to the new reality. "Virtuality" became the new "Reality", and we embraced it. We found new ways to work with our teams, different means of engaging with our customers and servicing them, newer ways to deliver on our commitments – all this while staying true to our fundamentals and ensuring that our employees stay safe. We were one of the first organisations to move to a complete work from home model. We also introduced a multitude of benefits, ranging from a COVID Helpdesk to enhance health cover, procuring oxygen concentrators for our employees, enhanced reimbursement for vaccination and hospitalisation, promoted emotional wellbeing, and grief counselling programs through the Employee Reach Out program. And much more.

Simultaneously, we continued to strengthen our foundations in terms of leadership hiring, accelerating cross-selling, increasing annuity revenue share, investing in key talent, forging strategic alliances with the key software OEM's. With our 'Digital-is-Everywhere' and Cloud-First approaches, we are determined to weave industry-led solutions to help our customers unshackle themselves and accelerate their business transformation journeys.

As part of the CK Birla group, social responsibility is in our DNA, and we continue to do our bit for society and for the communities we serve. At the peak of the pandemic, our team of volunteers collaborated with NGOs to provide food and hygiene kits to daily wagers and unprivileged families in the Delhi NCR region. We were one of the first companies to contribute to the PM CARES Fund. Our flagship initiative Shodhan, in the area of crop residue management and zero stubble burning, was awarded the Social and Business Enterprises Responsible Awards (SABERA) 2020.

The last year has been a difficult one on multiple levels, but the indomitable spirit of our teams, a deeply committed leadership, and a set of supportive customers made it a landmark year for Birlasoft. I thank each one of you for your contribution and courage, your faith, and your persistence, and I hope that you and your families continue to do well and stay safe.

I also continue to stay optimistic, and I hope you do too!



Board of Directors



Amita Birla is the Chairman of Birlasoft and the Co-Chairman of the CK Birla Group. As the Chairman, she leads long term strategy development and implementation in Birlasoft, and with her extensive experience she has successfully been leading companies across other industries. Her personal drive and leadership led to the transformation of Birlasoft from a fledgling startup to the global company that it is today, acknowledged as a differentiated Enterprise Digital IT Solution provider.



Chandrakant Birla is the Chairman of the CK Birla Group. The Group operates in three industry clusters: technology and automotive, home and building, and healthcare and education. He is a keen philanthropist who is committed to social development in India, the advancement of Science and Technology, Art and Culture.

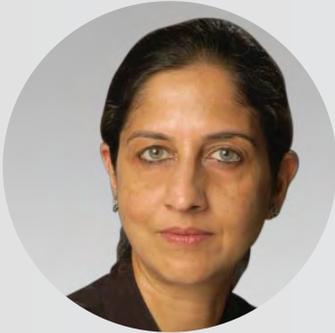


Ashok Kumar Barat had a long and distinguished executive career in the corporate sector. Mr. Barat is a Fellow of the Institute of Chartered Accountants of India, and of the Institute of Company Secretaries of India, Associate of the Institute of Chartered Accountants of England & Wales, and CPA, Australia. He is a Certified Mediator empaneled with the Ministry of Corporate Affairs, Government of India. He is a Member of the Board of Directors of several companies.



Anant Talaulicar holds a B.E. (Mechanical) degree from Mysore University, M.S. degree from the University of Michigan in Ann Arbor and a MBA from Tulane University, USA. He was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins Group in India and the Managing Director of Tata Cummins Limited from March 2004 till October 2017. Currently, Mr. Talaulicar is on the board of 7 Indian companies, trustee on 3 foundations and teaches part time at the S P Jain Institute of Management & Research.

Board of Directors



Alka Bharucha holds B.A. (Hons.), L.L.B. (University of Bombay) and L.L.M. (University of London) degrees. She is a Member of the Bar Council of Maharashtra and Goa and the Bombay Incorporated Law Society; a Solicitor registered with High Court (Mumbai) and Supreme Court of England and Wales and also an Advocate on Record, Supreme Court of India. Ms. Bharucha began her career with Mulla & Mulla & Craigie Blunt & Caroe and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners which, since inception, has been ranked by RSG Consulting, London among the top law firms in India.



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



Dharmander Kapoor (DK) is the Chief Executive Officer (CEO) & Managing Director of the Company. With a Master's degree in Computers from Kurukshetra University, India, DK is an industry veteran with over 30 years of experience and co-owns patents around Cloud & digital. DK has led the successful integration of the erstwhile Birlasoft and KPIT IT services businesses. He has also been instrumental in shaping the Company's strategy pivoted on the Enterprise to the Power of Digital™ framework, focusing on next-generation digital services offerings.

Chief Executive Officer & Managing Director's Letter - FY 2021

Dear Fellow Shareholders,

Financial Year 2020-21 was a year that presented a crisis at an unprecedented scale, with the pandemic having a considerable impact on human lives and the world economy. Birlasoft responded swiftly to this situation and took several effective countermeasures to ensure the safety of our employees and facilitate smooth operations for our valued customers. I am extremely proud of our employees, who have shown tremendous resilience and commitment in serving our customers in times of strife.

In the first year of our merger, we were focused on streamlining the integration between the two companies and laying a solid foundation for future growth. With COVID-19 impacting our second year of operations, combined with a sizeable ERP-centric business mix, it was an even bigger challenge to navigate through. However, we sharpened our focus on strengthening the key fundamentals to transformation and converted the crisis into an opportunity.

During these times of heightened uncertainties, travel restrictions, and work-from-home conditions, there was a steep drop in net new sales as witnessed across the IT industry. We reinforced our efforts on cross-selling to our key customers with whom we have had lasting relationships based on trust and confidence in our capabilities. In addition, we consolidated our positioning by making structural changes in the organizational fabric and business strategy, thus preparing the course for accelerated growth. Over these two years since the merger, we have steadily built a reputation of being a formidable player in the market, with our strong Enterprise Solutions and Digital capabilities. As a testimony to our growing brand, we have received several accolades, right from being recognized as India's Most Admired & Valuable Power Brand Company 2020, to winning the Aegis Graham Bell Award (AGBA) for our intelliOpen™ solution, Manufacturing Leadership Partner Award, SABERA 2020 Award for our community-benefiting Initiative - Project Shodhan, to being featured in the Global ISG Index™, across categories for four times.

We have gained momentum and have delivered an encouraging performance this year, despite the pandemic. As per our commitment made last year, we have put in unstinted efforts to ensure we fulfill our top priorities and move forward in alignment with our long-term goals to become a billion-dollar organization. Some of the notable highlights are listed below:

Operational rigor: Several key parameters have helped us reach our initially set target of 15% EBITDA during the year. The employee cost came down from 60.7% in FY 2020 to 59.5% in the financial year 2021, a drop of about 1.2% YOY. This was possible due to our efforts to broaden the pyramid as we continued to add freshers and strengthen our learning and development. Our utilization rate reached an all-time high of 85.6%, and the attrition rate at an all-time low of 10.9% during the year. The improvement in these parameters has been possible due to our continued focus on our optimization initiatives, despite headwinds due to the pandemic situation.

Improve annuity revenue through cross-selling: The COVID environment acted as a catalyst for us in our transformation journey, and we were able to improve our annuity business up from ~60% in FY 2020 to ~70% at the end of this fiscal. Our ability and desire to drive the conversation with our top customers proactively has

helped both from an annuity and a cross-selling basis. Additionally, we worked on pruning our tail accounts, which were non-strategic for us, which saw the active customer count coming down to 291 as of March 31, 2021 versus 378 at the beginning of the year.

Our top customers' growth rate also reflects the strategy of focus on our key customers; the top-5, top-10, and top-20 customers grew 21.2%, 19.8%, and 19.3%, respectively, during the year while the growth from outside top-20 customers declined on a year-on-year basis. Almost 97% of the total deal wins in FY 2021 came from our existing customers, thus validating the power of the cross-selling strategy that we believe will hold us in good stead.

Robust balance sheet: The health of the balance sheet continues to improve. The Days Sales Outstanding (DSO) was at 72-days last year and improved significantly by 16 days to 56-days as of March 31, 2021 - which is the lowest to date and probably best-in-class. Our cash and cash equivalents, as of March 31, 2021 stood at ₹ 1,119 Crores (US\$ 153.1 M) and have gone up by ₹ 453 Crores (\$64.7 M) during the year. The company is debt-free. The Return on Capital Employed (ROCE) ratio stood at 19% in FY 2021 versus 14.9% in FY 2020.

Growth levers: We have sharpened our business capabilities by defining and building a micro-vertical strategy that will empower us to grow at a faster pace than the rest of our main verticals. Investments have been made in the right talent and partnerships to build our horizontal levers such as cloud migration, IoT and industry 4.0 adoption, data and analytics, blockchain. These crucial investments will also drive our company's prospects and position it to grow and prosper.

Last-mile of integration: With the completion of the integration of our IT processes and migrating to best-in-class software, we have laid a robust foundation for a path that leads to enterprise-wide agility.

Strengthen ISV, OEM channels: Birlasoft enjoys strong partnerships with SAP, Oracle, Salesforce.com, ServiceNow, Microsoft, Amazon, etc. With our recent collaboration with Microsoft, Birlasoft has strategically positioned itself to support its enterprise clients with their cloud transformation needs, right from infrastructure to business applications. As a result, we have been able to close multiple transformative deals covering cloud migration, application modernization, workplace digitalization, among others. We are also in talks with other major platform players such as Amazon Web Services (AWS), Google for similar partnerships to provide our customers with the best-fit solution.

Securing our own employees' well-being, health, and safety is of topmost concern while we steer the company through this extraordinary crisis. Watching events unfold throughout the year, we are keenly focused on what we, as a company, can do to serve our customers. The global pandemic has accelerated the focus on digital across most industries, and with our enterprise digital capabilities, we are all set to play an integral role in helping our customers survive and thrive.

Platform-based digital initiatives, cloud adoption, and aggressive automation will be our key growth levers.

Our priorities moving forward are as follows:

- Our growing relationships and partnerships with platform providers are helping us structure transformational, multi-services, and long-term deals. In addition, we will continue to make strategic investments to develop platforms for core industry processes of our customers where the need for digitalization is much higher and offer them the *servitization* model to enable an outcome-based and faster transformation.
- We will continue to focus on our top accounts through cross-selling and persevere in increasing our annuity business. By leveraging outcome-based deal construct and building capabilities across verticals, we aim to build and grow a healthy pipeline.
- Focusing on micro verticals will be a critical area of growth for us. This will entail investments in building significant domain and technology capabilities to be positioned as a dominant player in these specific segments.
- Operational rigor will always be a business imperative, and we will strive to keep improving the metrics as on all parameters.

As challenging as the past year has been, it has also demonstrated our ability to innovate and execute under the most trying circumstances and inspire us to achieve more. While new challenges may lie ahead, I thank our 11,000+ employees who have continued to shine during these challenging times with their dedication and professional excellence. I am grateful for our clients' trust and confidence in our abilities, and last but not least, I would like to express gratitude to you, our shareholders, for the faith that you have placed in us. With all your support, I am optimistic about our growth journey and look forward to another successful year!

A circular portrait of Dharmander Kapoor, a middle-aged man with glasses, wearing a dark suit jacket over a white shirt. The portrait is set against a light gray background.

**Dharmander
Kapoor**

- CEO and MD



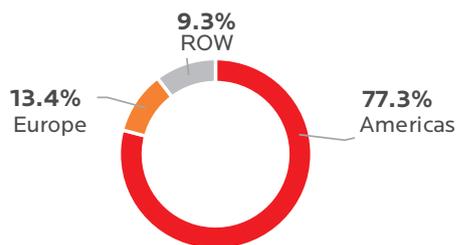
The CK Birla Group is a diversified US\$ **2.4 billion** conglomerate with a storied history of enduring relationships with renowned global companies.

Built and strengthened by shared guiding principles of implicit trust and transparency, long-term value, and philanthropy, we have established our presence across five continents with more than **30,000** employees and **44** manufacturing facilities. Our focus on innovation shines through in the numerous patents and awards we have collected over the years.

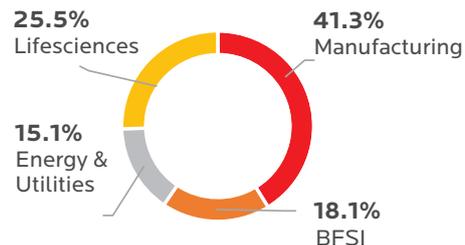
Operating in three industry clusters – technology and automotive, home and building, and healthcare and education – each business is geared for transformation and aimed at building on the collective strengths and synergies of our size and span.

Birlasoft Financial Snapshot

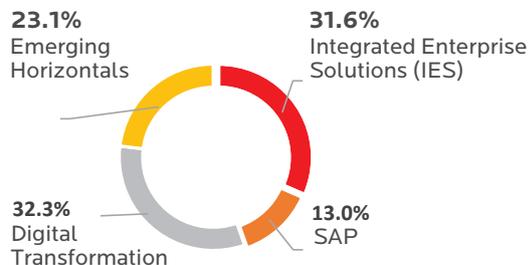
FY 20-21 Metrics



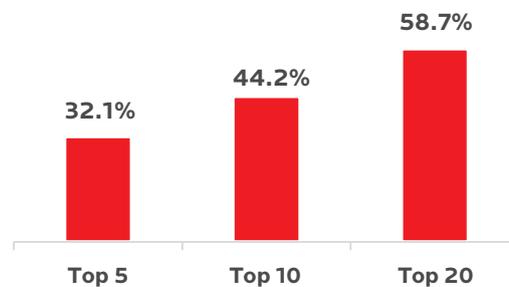
Client Geography



Revenue by Industry Verticals



Revenue by Service Offerings



Client Concentration

Key Highlights for FY 2020-21

Revenue
₹ 3,556 Crs/ \$ 479.6 M

EBITDA
₹ 529 Crs/ \$ 71.5 M 14.9%

Profit After Tax
321 Crs/ \$ 43.4 M 9.0%

Headcount
11,051 professionals

Net Cash and Cash Equivalents
₹ 1,119 Crs \$ 153.1 M

Networth as of 31st Mar 21
₹ 2,180 Crs \$ 298.2 M



Enterprise to the Power of Digital™

Guided by the CK Birla Group's 159-year legacy, Birlasoft's 11,000+ professionals are committed to building sustainable communities and more productive societies by using the power of domain, enterprise, and digital technologies to reimagine and enrich business processes for customers and their ecosystems.

Powered by consultative and design thinking, we specialize in cutting through industry hype to predict and eliminate real business problems, creating and executing future-ready roadmaps for businesses globally. We combine cutting-edge technologies with legacy systems for measurable outcomes to achieve digital transformation that balances current and future business needs and short-term and long-term impact.

Service Lines



ERP

Our incisive insights into technology's transformational powers, combined with global partnerships with leading technology providers, place us at a unique advantage in achieving targeted transformations in mission-critical business scenarios. We have experts capable of optimizing platform configurations to unlock maximum value generation possibilities, reduce in-house IT effort, and prepare the landscape for future transformation. In all, we guarantee enhanced value in critical areas of operation across process execution, product management, marketing, and the distribution/supply chain.



Digital

We have a proven track record of using new, innovative strategies and solutions to help organizations in our focus industries realize quick value, streamline operations, improve compliance, and better manage assets in the factory, field, or wherever they are. By creating a tangible digital transformation roadmap for their organization, we empower our customers to accelerate their transformation strategies with new innovative solutions.



Infrastructure and Cloud Technology

Our Infrastructure and Cloud Technology services are loaded with innovations designed to reduce uncertainty while simplifying processes and reducing investments. Our solutions offer customers flexibility, affordability, and ease of use while extending to them the peace of mind that comes with robust, intuitive IT infrastructure solutions that promise to transform digital operations and provide context-aware digital experiences.



Customer Relationship Management

Our breadth, depth, and industry experience in CRM practice, and partnerships with leading players in this space, allow us to offer our customers the capabilities of multiple low TCO, high ROI solutions. We also offer strong expertise in CRM Advisory, Execution, and Maintenance services.



Testing

Our testing practice merges expertise with innovation to improve business outcomes at a lower overall TCO while delivering higher quality and faster time to market. In addition, our on-demand solutions are tailored to help businesses focus on increasing efficiency through seamless integration into their IT landscape.



IT Consulting

To ensure operating model transformation, our IT Transformation Services (ITTS) integrate business process and technology. Our experienced consultants ensure best-in-class strategies and business case creation to help customers realize maximum benefits. Besides, our proven capabilities across established and disruptive application technologies, combined with the right-fit IPs and frameworks reduce cost, time, and risk while executing transformation plans.

Industries



Manufacturing

We help manufacturers accelerate their industry 4.0 journey by reimagining their business models, transforming their product lifecycles, digitizing operations, and driving best-in-class stakeholder experiences across the board. Our focus on strategic interventions across systems of record, process re-engineering, data management, UX, cloud, and digital technologies ensures a roadmap for accelerated digital transformation and exceptional long-term business value.



Energy and Utilities

Our customers have reaped immense benefits from our strategies and solutions to modernize processes across the value chain. Ensuring seamless integration for rich insights and better decision making, our ability to optimize resources and skills empowers our customers to embrace cost-effective innovation in key areas such as operations and asset management, workforce enablement, customer experience, business technology transformation, and digital transformation.



Life Sciences

From discovery, trials, and production to sales and marketing, field service, and support, we span pharmaceutical and medical device companies' entire value chain. Using our cutting-edge digital technology platforms and solutions, our customers have innovated faster, delivered more effective therapeutic products and services, reduced real-world costs, improved customer experience, and met global quality and regulatory compliance needs.



Banking, Financial Services, and Insurance (BFSI)

We have helped leading banks and financial institutions digitally transform their businesses, improve operational efficiency, mitigate risk, build agile regulatory responses, and create superior digital experiences. Our digital technologies and next-gen platforms have also been instrumental in helping insurers improve profitability, optimize costs, and drive best-in-class customer experiences.



Communications, Media and Technology

Our solutions, strategic advisory services, and seamless system integrations have helped leading communication, media, and technology companies execute bold transformations. Driven by our vision and holistic design thinking, our customers have executed tactical solutions to emerge leaner by streamlining the content value chain, and optimizing business processes.

Awards and Recognition



Birlasoft recognized as India's Most Admired & Valuable Power Brand Company 2020

Birlasoft wins the Aegis Graham Bell Award (AGBA) for its intelliOpen™ solution



Birlasoft wins three distinguished Oracle JD Edwards Partner Awards business



Birlasoft receives SABERA 2020 Award for its community-benefiting Initiative - Project Shodhan

Birlasoft wins Manufacturing Leadership Partner Award



Birlasoft named a Top 15 Sourcing Standout by ISG

This is the fourth time in a row that Birlasoft has been featured across categories by ISG.

Our People are Our Assets

The Birlasoft Cultural DNA is anchored around our core values, "**Engaged, Dependable, Challenger**". Our people programs and management practices work tirelessly to reinforce these core tenets of our employee engagement paradigm. The past year was tough, with the organization's cultural fabric being severely tested by remote working, one among the several challenges that came the organization's way on account of the pandemic. However, our employees rallied around the purpose of ensuring customer success, and collectively we built a resilient organization that was able to rise above the challenges. There was a lot of emphasis on ensuring that we did not let our remote working models impact engagement and employee well-being, both physical and emotional.

In spite of our working models virtually taking a new shape, our commitment to contributing to society, and to creating sustainable development remained steadfast through our community initiatives. We continued to engage on some of our flagship programs, and also ensured that we were able to contribute to the PM CARES Fund to assist in the nation's early response to the pandemic.

Stubble burning has been a common phenomenon in the northern states of Punjab and Haryana, which has an extremely adverse impact on the environment and people's health. Over the last 4 years, Birlasoft has partnered with Confederation of Indian Industry (CII) to initiate a community program called **Shodhan**. Under the program, we have been able to bring about a transformation in close to 74 villages, impacting almost 55,000 acres of farmland. Last year alone, the program could save close to 2.6 billion liters of water and avoided the direct global warming impact of close to 25 kilotons of CO₂ emissions. For these levels of significant impact, the initiative was recognized by SABERA for the third consecutive year.

Our flagship programs focusing on **Women and Child Development** continued to create the last mile impact. Through our program implementation partners, we were able to provide 3,300 people vocational and non-vocational training. Close to 50% of women who benefitted from the programs found employment in the formal sector, while several others have been able to progress on their skilling journey.

Last year saw us, additionally venture into the **Virtual Volunteering** world where a significant number of our employees overcame the limitations of lockdowns, remote working, etc., and were able to contribute to creating e-learning and education content, thereby creating a last-mile impact that benefitting almost 500 people.



Management Discussion and Analysis

About Birlasoft

Birlasoft combines the power of domain, enterprise, and digital technologies to reimagine business processes for customers and their ecosystems. Its consultative and design thinking approach makes societies more productive by helping customers run businesses efficiently. As part of the multibillion-dollar diversified CK Birla Group, Birlasoft, comprising over 11,000 professionals, is committed to continuing our 159-year heritage of building sustainable communities.

CK Birla Group Profile

The CK Birla Group is a diversified US\$ 2.4 Bn conglomerate that has a history of enduring relationships with renowned global companies.

With over 30,000 employees, 44 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, and healthcare and education.

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

Company Overview

Birlasoft has unique, industry-leading capabilities from the Enterprise Product and Cloud companies such as SAP, Oracle, JD Edwards, Microsoft, Amazon Web Services (AWS), Google, Salesforce.com, Service Now, etc. The company has strategic-level partnerships with SAP, Oracle and with Salesforce, a position unmatched by any other similar-sized company. Birlasoft also possesses significant 'digital' capabilities in analytics, Robotic Process Automation (RPA), digital portals, user experience, and digital advisory services. A large set of solutions and services demonstrates its capabilities and presence in application development, support and maintenance for next-generation services in the digital world.

Industry Structure and Developments

COVID-19 – A crisis like no other. The world woke up to a perilous reality on March 11, 2020, when the World Health Organization (WHO) declared the SARS Novel Coronavirus (COVID-19) a pandemic. Originating from Wuhan, China, cases rapidly spread to Japan, South Korea, Europe, and the United States as it reached global proportions, indicating that the world was staring at an unprecedented crisis in its lifetime, if not in human history.

The pandemic would see, for the first time since the Great Depression of 1929, the advanced economies, emerging markets and the developing economies in recession. And more recently, it is the first time since the Global Financial Crisis of 2008, that the world economy is seeing a decline. According to International Monetary Fund's (IMF) January 2021 outlook, the global growth contraction for calendar year (CY) 2020 is estimated at -3.5%, with the advanced economies expected to decline by 4.9%.

The US is expected to decline by 3.4%, Euro Area by 7.2%, the UK by 10%, Japan by 5.1%, Canada by 5.5%, and other developed economies by 2.2%. Emerging and developing economies are expected to degrow by 2.4%, with India expected to decline by 8%. The only major economy expected to grow by 2.3% is China.

With almost all major countries announcing lockdowns and shutting activities for months, more than two-thirds of governments worldwide scaled up their financial support since April 2020 to mitigate the economic fallout from the pandemic. According to the IMF, the measures helped save lives, protect livelihoods, and preserve employment and business relations. Fiscal measures announced are estimated at US\$ 11 trillion globally. One-half of these measures (US\$ 5.4 trillion) are additional spending and foregone revenue, directly affecting government budgets. The remaining half (US\$ 5.4 trillion) is liquidity support, such as loans, equity injections, and guarantees, including through state-owned banks and enterprises intended to help maintain cashflows and limit bankruptcies. However, this could add to government debt and deficits down the road if these public interventions incur losses.

Although recent vaccine approvals and vaccination drives have raised hopes of a turnaround in the pandemic, renewed waves and new variants of the virus pose challenges to the outlook.

Gartner Inc., the world's leading research and advisory company, in its May 2020 release, had projected worldwide IT spending to total US\$ 3.4 trillion in 2020, a decline of 8% from 2019 on account of the coronavirus pandemic. However, various measures and concerted efforts by the governments, regulators, healthcare companies, and global corporations saw a lower decline of 2.2% in 2020 against the expected decline of 7.7% earlier during the year.

India's premier information sector body, 'The National Association of Software & Services Companies' (NASSCOM), expects India's information technology and back-office sector to grow by 2.3% in Financial Year (FY) 2021 to US\$ 194 Bn versus US\$ 190 Bn in FY 2020 despite the COVID-19 pandemic. NASSCOM expects exports to touch US\$ 150 Bn for FY 2021 versus US\$ 147 Bn in FY 2020. Despite the downturn due to COVID-19, the Indian tech industry continues to be a net hirer with a significant focus on digital upskilling. The industry is expected to add over 138,000 net new hires in FY 2021, taking the total employee base to 4.47 million. The digital talent pool is expected to cross 1.17 million, growing at 32% over the past year. Enterprises are re-balancing their technology spends to prioritize digitalization. The industry saw an overall shift of 10% in outcome-based pricing; offshore witnessed more than 4% shift over 2020, and attrition rate dropped significantly in FY 2021.

The industry witnessed 146 mergers and expansion deals in 2020, 90% of which were digital-focused. Companies saw a significant rise of 80% YoY in cloud adoption during H1 of FY 2021. Further, continental Europe and APAC emerged amongst the strongest growth geographies in FY 2021. BFSI and healthcare were key growth verticals during the year for the sector.

The IT sector continues to show resilience despite the Coronavirus onslaught. Since April 2020, most IT professionals in the sector (India-based and overseas) have been Working From Home (WFH), with no compromise on security and maintaining all key performance parameters. As India stands at the cusp of a reimagined tech age, 2021 will redefine the industry narrative for the future.

Despite headwinds in 2020, Indian tech contributed ~8% relative share to the national GDP, with ~52% relative share in services exports, and ~50% share in total FDI.

The Year Gone By

The Financial Year 2020-21 will be remembered as a watershed year for many companies across the globe due to the COVID-19 crisis. While Birlasoft faced merger- and integration-related challenges in its first year in the new avatar, the second year was impacted by COVID-19, and with significant ERP-centric business, it was a double whammy. However, the company kept its focus on its transformation and converted the crisis into an opportunity. Focusing on cross-selling to its key customers, given little or no scope for new customers in a travel-restricted and a WFH year for most IT services companies. The company not only successfully merged and integrated in a short span of time but has also continued its structural change in its organizational fabric and business to achieve a turnaround, which will help it to accelerate going ahead. With strong enterprise solutions capabilities coupled with digital capabilities, it is a formidable competitor in the market.

The company reported a revenue of ₹ 35,557 M (US\$ 479.6 M) and grew 8.0% YoY (3.4% in US\$) despite many challenges in a COVID-19 impacted year. The EBITDA stood at ₹ 5,292 M (US\$ 71.5 M), a growth of 35% YoY (29.4% in \$ terms). The EBITDA margins improved significantly from 11.9% in FY 2020 to 14.9% in FY 2021, an improvement of 300 BPS. The PAT stood at ₹ 3,208 M (US\$ 43.4 M), an increase of 43% (37.1% in US\$ terms).

A major achievement this year and one that will seem paradoxical is the quantum of TCV deal wins. Deal wins amounted to US\$ 888 M during the year, with ~50% coming from new business and 50% from renewals. Almost 97% of the total deal wins in FY 2021 came from our existing customers, which reflects the strong cross-sell which the company has been focused on since the merger.

Birlasoft is distinctively positioned for opportunities in the enterprise digital space, leveraging platform-based solutions. FY 2020 was about stabilizing the integration of two companies across processes, people, and systems, strengthening the capabilities and acquiring talent in senior leadership roles across the delivery and sales, and optimizing certain non-strategic businesses and tail accounts. The current financial year (FY 2021) is about mining, cross-selling, and providing a thrust to the annuity revenues.

In August 2020, the company announced a Global Strategic Cloud Alliance with Microsoft to help its clients accelerate their digital journey. With this collaboration, Birlasoft has strategically positioned itself to support its enterprise clients with their cloud transformation needs, from infrastructure to business applications. Birlasoft has planned to scale its current Microsoft channel business to US\$ 100 M. Building on the current collaboration, Birlasoft will focus on delivering end-to-end services on Microsoft Azure, Microsoft 365, and Microsoft Dynamics 365, to its clients. Together with Microsoft, Birlasoft will create innovative industry solutions and enable customers in focus industries to adopt Microsoft cloud technologies and services. The company is also in talks with other major platform players such as Amazon Web Services (AWS) and Google for similar partnerships. The company already has SAP as its partner and works closely with major platform players such as Oracle, Service Now, Salesforce.com, etc.

Some of the other notable highlights during the year are as under:

- The company closed its last leg of integration by integrating its Information Technology and moving to best-in-class software and systems. To state an example, the financial accounting system moved to S4 Hana, CRM moved to MS Dynamics, etc.
- Annuity business went up significantly from ~60% in Q4 FY 20 to 70% in Q4 of FY 21
- Days Sales Outstanding (DSO) was at its lowest - 56 days, an improvement of 16 days YoY.
- The company's cash balance crossed ₹ 10,000 M and stood at ₹ 11,189 M as of March 31, 2021

- Birlasoft bagged its highest TCV deal wins during FY 21, amounting to US\$ 888 M, up by 32.7% on a YoY basis.
- Company's utilization improved from 80.9% in Q4 FY 2020 to 82.8% in Q4 FY 2021.

Business Outlook

Although global economic output is recovering from the collapse triggered by COVID-19, it is expected to remain below pre-pandemic levels for the foreseeable future. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. As per the IMF, amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis. The US is expected to lead the developed economies with an estimated growth of 4.3% and a 5.1% growth in 2021. Euro area is expected to grow at 4.3%, and UK is expected to grow at 4.5%. The emerging and developing countries are expected to grow by 6.3% in 2021.

With the pandemic leaving no corner of the world untouched, the pace of economic recovery will depend on the vaccination campaigns which have accelerated globally since the start of 2021. While the second wave of the pandemic erupted in early 2021, the availability of vaccine remains a ray of hope for humanity. The emergence of multiple mutations and variants of the COVID-19 virus will remain an evolving threat to the efficacy of vaccination programs.

As far as IT spends were concerned, in 2020 the coronavirus pandemic required CIOs to prioritize spending on technology and services that were deemed 'mission-critical' over initiatives aimed at growth or transformation. Further, working remotely helped sub-segments such as public cloud services (which fall into multiple categories) and was a bright spot in 2020, growing 19% YoY.

However, as vaccination-led normalization and recovery materializes, the focus is shifting back to growth and transformation in CY 2021. In 2021, the initial drive has been led by pent-up demand where projects either had been put on hold or canceled due to uncertainty. As organizations address the digital landscape, consumption models for IT services and the move to cloud, there will be significant opportunities for IT service providers. Also, in today's world, IT no longer just supports corporate operations as it traditionally has been in the past but is partnering in delivering business value. Investing in digital continues to rise as an imperative for the industry, with organizations building their capabilities and aligning business models to digital practices.

Gartner Inc, in its April 2021 worldwide IT spending forecast, has projected an 8.4% growth in IT spend at US\$ 4.1 trillion. IT services spend is expected to grow 9% in 2021 at US\$ 1.1 trillion, and enterprise software spends are expected to grow at 10.8% at US\$ 517 Bn. It expects the source of funds for new digital business initiatives to come from business departments outside IT and charged as a cost of revenue or cost of goods sold (COGS). From an industry perspective, Gartner expects BFSI spending to closely resemble pre-pandemic levels as early as 2021, while retail and transportation will not see the same recovery until closer to 2023.

While NASSCOM stopped providing guidance a few years ago, it expects technology to drive front-end operations and customer experience. As per NASSCOM's CEO survey, 97% of CEOs anticipate significantly better global economic growth in 2021 as compared to 2020. In terms of hiring, 95% of CEOs expect 2021 hiring to be more than what they hired in 2020. Further, 67% of CEOs expect the Indian technology industry to grow significantly higher than in 2020. In the new normal, NASSCOM's discussions with the CEOs suggest that the industry is warming up to a blended work model. 70% of the survey respondents expect to have higher prevalence of remote

work along with a boost in gig workforce in 2021. Analysts expect the IT sector to clock double-digit growth in FY22.

NASSCOM believes that the industry will look towards leaner structures with more flexibility and faster adoption of cloud-based products and services in 2021. 60% of the industry CEOs expect larger digitalization deals in 2021, with investments likely to recover in core sectors including BFSI, Retail, and Manufacturing. With hyper-digitalization and technology adoption accelerating across sectors, CY 2021 will put the spotlight on the emergence of growth verticals such as healthcare, pharma, medical devices, software and internet, and consumer electronics.

Business Strategy

The company has been able to navigate through the pandemic year successfully. However, it needs to be agile, nimble, and a true challenger in the marketplace, creating newer offerings, newer talent models, and aligning go-to-market strategies to customer preferences. The company has changed its organizational structure, which reflects its alignment to the markets it serves. The current global situation requires organizations to enhance agility and resilience, ensure business continuity, deliver desired customer experiences, and accomplish their business goals. The speed of digitalization will be a primary imperative. Birlasoft has been working with its customers across industry segments, supporting them in their digital transformation journeys. Birlasoft helps customers in manufacturing to accelerate their Industry 4.0 adoption; in BFSI to leverage open APIs and automate both front-office and back-office transformation; in the energy and utilities sector to enhance field collaboration and real-time service excellence, optimize operations and improve asset performance; and in life sciences vertical to innovate faster, provide rich insights to achieve commercial excellence, and automate drug discovery and pharmacovigilance processes. The Strategic Cloud Alliance with Microsoft will further strengthen Birlasoft's digital offerings and will allow them to complement Birlasoft's industry expertise with the power of Microsoft cloud, to accelerate its clients' digital transformation journey.

Birlasoft will empower its customers to harness the full power of digital by combining enterprise applications with the most modern platforms, software, and digitalization processes. Alliances with key platform players and OEMs such as Microsoft, Google, AWS, ServiceNow, SAP, Oracle, etc., will help provide its customers with a broader range of solutions, delivered at a continually faster pace to accelerate the execution of their digital transformation strategies. Customers in their cloud journey will find Birlasoft's Global Strategic Cloud Alliance with OEMs to be of great value in accelerating their plans for cloud adoption and implementation.

The pandemic has changed the way organizations consume and procure IT services. This change has been led by both digital services and the move to cloud. Birlasoft has partnered closely with enterprises to provide flexibility and agility to work with their agendas, both from the operational and capital expenditure perspectives, to meet business demands.

Birlasoft is also focused on sharpening its capabilities and value proposition by structuring micro-verticals based on market presence and thus enhancing its ability to lead the segment with differentiated offerings.

Birlasoft, in its first annual report after the merger, had positioned itself like a knight on a chessboard, which may not be the fastest or the most powerful piece in the game of chess; however, it is uniquely poised and capable of making a surprise move that can tip the game in one's favor. Birlasoft may not be the biggest player in the market, nor have the largest scale, but wants to be a game-changer by bringing something unique to its customers.

Risk and Opportunities

Risks

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

[Reference to Section on Risks and Mitigation Plan]

Opportunities

It has become clear that technology is the catalyst for a company's leadership position in the markets it operates in. The recent rapid digital acceleration and cloud enablement has placed technology as the cornerstone of global leadership.

Despite the challenges of 2020, significantly greater opportunities exist in 2021 to transform and modernize business operations and models from the ground up, enabling the organization to respond to future disruptions quickly and strategically. Indian IT companies, big and small, embraced WFH; almost 98 percent of the IT workforce was working from home at the peak of the lockdown in India. Customers appreciated the resilience of the Indian IT industry, and IT companies continue to be agile and hungry for business. Industry experts believe that the pandemic has given digital transformation an impetus that would have taken many years to achieve. IT companies are now making a bigger push for their digital offerings as technology gets ingrained across sales, customer service, and operations. India has become the digital capabilities hub of the world, with around 75% of global digital talent present in the country.

As per International Data Corporation (IDC), global corporations which can rapidly adapt and respond to unplanned/unforeseen business disruptions will be clear winners in an increasingly digitalized economy. A large percentage of future enterprises' revenue would depend upon the responsiveness, scalability, and resiliency of their infrastructure, applications, and data resources. As a result, the global economy remains on course to its 'digital destiny,' as most products and services will be based on a digital delivery model or require digital augmentation to remain competitive. The majority, 65% of the global GDP, will be digitalized by 2022, driving US\$ 6.8 trillion of IT spending from 2020 to 2023.

In its top IT predictions, IDC expects that by the end of 2021, 80% of enterprises will put a mechanism in place to shift to cloud-centric infrastructure and applications two times faster than before the pandemic. Further, it believes that an emerging cloud ecosystem for extending resource control and real-time analytics will be the underlying platform for all IT and business automation initiatives anywhere and everywhere.

Many changes will be accelerated due to COVID-19; Gartner CIO's survey says that demand for new digital products and services which increased in 2020, will further rise in 2021. Companies are keen to leverage technology to support enterprises in achieving their business goals. Digital workplace technologies to support work from home come on top, followed closely by artificial intelligence/machine learning (AI/ML), RPA, distributed cloud, and multi-experience platforms. These emerging technologies automate processes and decisions, enabling an accelerated pace towards scalable digital solutions. Enterprises can tailor each layer of their technology architecture but building and wielding the most competitive stack means thinking differently. Business and technology strategies must become indistinguishable. Whoever gains the upper edge on technology stands to emerge as the number one.

Financial Performance

The Company's financial highlights, FY 2020-21

The consolidated Profit and loss account for the year ended March 31, 2021, was as follows:

(amount in ₹ M)

Particulars - in ₹ M	Year ended 31 st Mar 2020	Year ended 31 st Mar 2021
Revenue from Operations	32,909.7	35,557.2
Employee benefits expense	19,975.4	21,158.1
Other expenses	9,015.1	9,106.8
Total Expenses	28,990.5	30,264.9
Earnings before Interest, tax, depreciation & amortization	3,919.2	5,292.3
Depreciation and amortization expense	825.8	803.7
Earnings before Interest & tax	3,093.4	4,488.6
Other Income (Net)	429.9	189.8
Finance costs	161.3	130.4
Profit Before Tax (PBT) from continuing operations	3,362.0	4,548.0
Tax Expense	1,118.6	1,339.7
Profit After tax (PAT)	2,243.5	3,208.3

Analysis of the Consolidated Profit and Loss Statement

- Revenues: Revenues from operations reported a growth of 8% from ₹ 32,910 M in FY 2019-20 to ₹ 35,557 M in FY 2020-21. Other income of the company reported a decline of 55.8% from ₹ 430 M in FY 20 to ₹ 190 M in FY 2021. Other income accounted for only 0.5% of the company's revenues, reflecting its dependence on its core business operations. The decline in other income YoY was due to forex loss on forwarding contracts and mark-to-market adjustment of foreign currency assets in FY 2021, as compared to FY 2020.
- Expenses: Total expenses of the company increased by 4.4% from ₹ 28,990 M in FY 2019-20 to ₹ 30,265 M. Employee expenses accounted for a 59.5% share of the company's revenues, marginally lower than 60.7% last year. Employee expenses increased by 5.9% from ₹ 19,975 M in FY 2019-20 to ₹ 21,158 M in FY 2020-21 primarily owing to the annual remuneration revision effective January 2021. Other expenses, accounting for a 25.6% share of the company's revenues, showed an increase of 1% from ₹ 9,015 M in FY 2019-20 to ₹ 9,107 M in FY 2020-21.

→ Tax Expense for FY 2020-21 was at ₹ 1,340 M compared to ₹ 1,119 M in FY 2019-20. The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Act 2019, inserted a new section 115BAA ('new tax regime') in the Income Tax Act, 1961, which provided an option to a domestic company to pay income taxes at reduced tax rate (25.17%, inclusive of surcharge and cess) as per the provisions/ conditions defined in the said section. In the quarter ended December 31, 2020, the company assessed the underlying assumptions based on the current business scenario and decided to opt for the new tax regime effective from FY 2020-21.

Analysis of the Balance Sheet

Sources of Funds

- The company's balance sheet size increased by 11.4% from ₹ 26,873 M as on March 31, 2020, to ₹ 29,944 M as on March 31, 2021, owing to better profitability as compared with FY 2019-20.
- The company's net worth increased by 15.2% from ₹ 18,924 M as on March 31, 2020, to ₹ 21,799 M as on March 31, 2021, owing to increase in the reserves. The company's equity share capital comprising 277.3 M equity shares of ₹ 2 each, increased from ₹ 553 M in FY 2019-20 to ₹ 555 M in FY 2020-21. The nominal increase is on account of a few employees exercising their employee stock options.
- The company had no borrowings and is debt-free as of March 31, 2021.
- Other current liabilities went up by 55.7% from ₹ 1,190 M in FY 2019-20 to ₹ 1,853 in FY 2020-21 on account of advances from customers and increase in statutory liabilities such as tax deduction at source (TDS), provident fund (PF), payroll taxes, etc.
- Other financial liabilities were marginally up by 8.7% from ₹ 1,932 M in FY 20 to ₹ 2,099 M in FY 21 due to accrued employee costs.

Applications of Funds

- Fixed assets (net, including CWIP) of the company were down by 10.3% from ₹ 1,434 M in FY 2020 to ₹ 1,287 M in FY 2021. With the COVID-19 pandemic prevalent all through the financial year, almost all employees were working from home, which did not necessitate any major facility addition and Capex was nominal during the year.
- There was no impact of goodwill, which went down nominally by 1.4% from ₹ 4,541 M in FY 20 to ₹ 4,476 M in FY 2020 on account of exchange fluctuations.
- Other financial assets went up by 501.7% from ₹ 35 M in FY 2020 to ₹ 209 M in FY 2021. This was primarily on account of an increase in term deposits with a maturity greater than 12 months.

Working Capital Management

- Current investments of the company increased from ₹ 330 M as on March 31, 2020, to ₹ 553 M as on March

31, 2021. Investments were upped in liquid mutual funds during the year.

- Trade receivables went down by 30% from ₹ 7,402 M as on March 31, 2020 to ₹ 5,182 M as on March 31, 2021, as a result of an improvement in the days sales outstanding (DSO) from 72 days as of March 31, 2020 to 56 days as of March 31, 2021.
- Other balances with the banks increased by 219.5% from ₹ 1,805 M as on March 31, 2020, to ₹ 5,769 M as on March 31, 2021, due to an increase in interest yielding bank fixed and corporate deposits.
- Other financial assets increased by 66.4% from ₹ 356 M as of March 31, 2020, to ₹ 592 M as of March 31, 2021, due to an increase in the unrealized mark-to-market (MTM) gains on forex forward contracts.

Segment Results

Effective April 1, 2020, consistent with the industry practice and the current internal organization structure, the company changed the basis of segmentation from geography to industry practice. The company is now structured by the following segments: BFSI, Manufacturing, Energy and Utilities (E&U), and Life Sciences. The corresponding information for prior periods has been restated accordingly, and the segment results are summarized below.

Revenue by Industry Practice (IP)	FY 19-20		FY 20-21	
	₹ M	% Revenue	₹ M	% Revenue
Banking, Financial Services and Insurance	5,791	17.6%	6,430	18.1%
Manufacturing	14,719	44.7%	14,675	41.3%
Energy and Utilities	6,004	18.2%	5,375	15.1%
Life Sciences	6,396	19.5%	9,077	25.5%
Total	32,910	100.0%	35,557	100.0%

Segment Results	FY 19-20		FY 20-21	
	₹ M	% IP Revenue	₹ M	% IP Revenue
Banking, Financial Services and Insurance	1,529	26.4%	1,816	28.2%
Manufacturing	3,902	26.5%	4,488	30.6%
Energy and Utilities	2,073	34.5%	2,146	39.9%
Life Sciences	1,340	20.9%	1,536	16.9%
Total	8,844		9,986	

Revenue by Client Geography	FY 19-20		FY 20-21	
	₹ M	% Revenue	₹ M	% Revenue
Americas	26,074	79.2%	27,471	77.3%
Europe	3,534	10.7%	4,762	13.4%
Rest of the World	3,302	10.1%	3,325	9.3%
Total	32,910	100.0%	35,557	100.0%

Ratios

Key Financial Ratios	FY 19-20	FY 20-21
EBITDA Margins %	11.9%	14.9%
Operating / EBIT Margins %	9.4%	12.6%
Net Profit Margin %	6.8%	9.0%
Return on Equity (ROE)	11.9%	14.7%
Return on Capital Employed (ROCE)	14.9%	19.0%
Days Sales outstanding - Billed	72	56

The company had no debt or borrowings as of March 31, 2020, or as of March 31, 2021. Hence debt-equity ratio and interest coverage ratio are not relevant.

Internal Control Systems and their Adequacy

Birlasoft has an established framework for internal controls, commensurate with the size and nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. Birlasoft uses a state-of-the-art ERP system that connects all parts of the organization, to record data for accounting, consolidation, and management information (MIS) purposes. The company has a well-defined delegation of power with authority limits for approving contracts as well as operating and capital expenditures. The management assessed the effectiveness of the company's internal control over financial reporting.

Birlasoft has appointed Ernst & Young LLP to oversee and carry out an internal audit of its activities. The audit is based on an internal audit plan reviewed each year in consultation with the statutory auditors and approved by the audit committee. The internal audit team periodically conducts audits across the company, including a review of internal controls' operating effectiveness. The company, wherever necessary, engages third-party consultants for specific audits or reviews.

The audited consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 and provisions of the Companies Act, 2013. The statutory auditors of the company have audited the consolidated financial results of the company for the quarter and year ended March 31, 2021. An unqualified opinion has been issued by them thereon.

Material developments in human resources, including the number of people employed. The year saw employee care and engagement of a different order, influenced and impacted heavily by COVID-19. The company was one of the first to ensure that it could effectively converge the dual objectives of employee safety and step up to ensure seamless delivery of client deliverables. One of the continuing focus areas for the year was to ensure that we created systems and processes that ensured a transparent and friendly virtual work environment. It was all about hand-holding our managers and the teams through this relatively new phenomenon of virtual teaming and ensuring that we scaled up to make it business as usual.

We believe that a sustainable competitive edge between companies often comes down to its people and processes, and hence we continue to invest in our human capital, as a strategic imperative, across talent acquisition, skill-building, talent management, and career development. Enhancing employee experience has been the fulcrum around which the people dimension of the IT integration has been driven. People are a key resource, and the company continues to build processes that, on the one hand, help employees align their professional and personal goals, and on the other, help the company align people to opportunities.

As part of overall systems integration efforts, we were able to converge our HR systems and have started reimagining the system of engagement to ensure that our employees get a world-class user experience. We implemented MyPal, a unified performance enablement program that sits on top of the philosophy of enabling dialogue between the manager-employee dyads. We also moved our Learning Management System to MyPal, and we take pride in having a unified and holistic talent management system across the organization.

The company is investing in market-leading technologies to ensure that we can architect a totally new way of approaching learning and skilling. We are building a learning marketplace where people can self-assess their skills and capabilities and map them to their current and aspirational roles, thus building learning paths that a self-directed learning curriculum would support.

While we continue to reinvent ourselves with respect to our people programs, we are also investing our efforts in some of our marquee programs, such as:

- **The Thrive Tribe:** A self-help group for women in mid and senior roles, that offers career mentoring programs to our younger women professionals as part of the D&I charter.
- **The Young Guns Program:** Aimed at accelerating the career journey of the younger workforce through an experiential learning journey.
- **Manager Enablement Series:** A program that helps our managers explore the softer aspects of

- people enablement.
- Formal talent reviews for critical leadership roles.
 - Rewarding critical achievements and reinforcing desired behaviors through our formal rewards and recognition program.

As of March 31, 2021, Birlasoft had 11,051 employees, showing a net addition of 783 employees over the previous financial year. Women professionals accounted for 22% of the workforce. The company's last twelve-month attrition stood at 11.6% as of March 31, 2021.

Cautionary Statement

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

Enterprise Risk Management

Preamble

In compliance with regulatory requirements, Birlasoft has implemented a robust Enterprise Risk Management (ERM) 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 # Potential impact of COVID-19 on the global economy and organization

Description:

Impact of COVID-19 on the human capital and financial health of the organization due to significant cut on the available budget to meet operational expenses, capital expenditure, and discretionary spends at existing/potential client's level resulting in cancellation of RFPs/deals, asks for discounts, invoice deferrals and cancellation of projects from existing clients. Additionally, possible challenges in ensuring business continuity amid extended lockdowns and restrictions in a smooth supply chain process.

Mitigation Plan:

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

- Defining a comprehensive resilience framework at the organization level to assess internal preparedness to deal with the pandemic
- Providing a comprehensive work-from-home (WFH) solution ensuring security, and meeting agreed contractual service levels and project milestones
- Regular communication with client leadership on the situation's development
- Formation of a management task force to regularly monitor and initiate corrective actions to manage the emerging situation, as required
- Proactive proposals to clients to streamline operational parameters while mitigating service-level risks with a focus on reducing costs tPhased approach for resuming offices to ensure effectiveness and managing any further lockdown after the umption of services
- Continued cost optimization initiatives and reductions in discretionary spends

→ Various initiatives on employee health and safety amid the ongoing situation and after the opening of office facilities

→ Actions to ensure information security while extending the WFH facility to employees

Birlasoft is well poised to take advantage of the opportunity emerging with the emergence of the pandemic and the resulting rapid adoption of digital enablement through transformation, cloud migration, IoT, and mobility trends. Birlasoft has invested in digital labs and Operation Technology (OT) to drive solutions. Additionally, as a good governance measure, Birlasoft management has been providing regular updates to the board on various business decisions, the emerging situation, and its potential impact.

Risk Event 2 # Potential risk of liquidity

Description:

Potential challenge in maintaining cash reserves and desired liquidity for managing various fixed and variable costs (i.e., employee payroll, vendor payments, facility management cost, etc.) during COVID-19 situation, which is expected to get extended for a few quarters after lifting of lockdown restrictions.

Mitigation Plan:

As evident from the company's financial results for the year, Birlasoft has always followed conservative and risk-averse policies and practices with regard to managing its cash and liquidity. Proactive cash flow and risk management practices have ensured that the company always maintained a strong liquidity position, with a focus on ensuring adequate cash balances held in the most optimal forms and geographies, backed by additional cash generation sources, including unutilized credit lines and off-balance sheet funding options. However, considering the looming uncertainty due to the current COVID-19 situation, the company has strategized and initiated various actions with an objective to enhance resilience in terms of working capital management. Actions include a strong focus on collection of its receivables (resulting in a significant improvement in DSO year-on-year), optimizing people and other costs (reflected in a quarter-on-quarter growth in its net EBITDA), deferring discretionary spends and re-structuring its payables to ensure adequate liquidity in the system to meet the company's financial commitments at any point of time.

Risk Event 3 # Concentration of business in specific geography/customer/service line

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 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 and AWS advanced tier consulting partner, and these partnerships are further going to help strengthen and expand our business.

Risk Event 4 # Impact on business due to stiff competition in the market

Description:

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

Mitigation Plan:

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

Risk Event 5 # Technological Disruption - Adaptation to new technology offerings

Description:

Rapid transformation in technologies such as robotics, cognitive technologies, machine learning, cloud, digital, etc., has significantly impacted business models. Delay in adaptation to new technology offerings will have an adverse impact on the future growth of the business, cost management, and maintaining healthy growth in revenues.

Mitigation Plan:

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

Risk Event 6 # Data privacy risk related to global privacy regulations

Description:

Privacy and protection of personal data is an area of increasing concern globally. Legislations such as GDPR in Europe, CCPA in the US, and PDPB in India 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 organizational 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 the requirements of global privacy regulations. The company is continuously improving the operational culture within the organization to address dynamic privacy risks with emerging technologies. The organization is ISO/IEC 27701:2019 certified across functions and client delivery projects, which exhibit our ongoing commitment to global data protection requirements.

Risk Event 7 # Cybersecurity related risks

Description:

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

Mitigation Plan:

The company has a mature information security management system with policies, processes, and controls to minimize cybersecurity risks. The governance and management of security compliance and risk are 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 with our intrusion prevention systems, data loss prevention and vulnerability management program through offensive COE, encryption, patch management, etc., newer tools that are aimed at cyber threat protection, such as cloud-native endpoint protection platforms, will be implemented. 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. A new SIEM tool has been implemented for extensive and expansive coverage of devices in the organization for proactive monitoring. Other cloud-based controls continue to be implemented as the WFH scenario continues.

Risk Event 8 # Resourcing-related risk with reference to employee retention, succession, development, and training

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 with the company's long-term business

strategy. Less or under-proficient resources, delay in availability, or/non- availability of the required resources could result in loss of business opportunities or delivery escalations from customers.

Mitigation Plan:

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

The company places a premium on retaining its talent and has various employee engagement and development programs across levels to help engage and retain its quality workforce. In order to ensure risk mitigation and business continuity, the company spends significant time 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 9 # Change in immigration laws of the geographies in which the company operates

Description:

Changes in the local immigration laws in some of the countries that the company operates in, may adversely impact the mobility of resources, which is critical for the success of its business. These regulatory changes may disrupt the availability of required resources in some geographies/client locations and the 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 the onsite requirements.

Risk Event 10 # Potential foreign currency risk

Description:

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

Mitigation Plan:

The company is following a layered hedge policy which protects business earnings in foreign currency from the adverse impact of fluctuations in exchange rates as well as brings more predictability to the P&L. The strategy also aims to minimize hedging cost and optimize benefits from favorable FX rate movements in the market. Between 65% and 70% of the net USD receivables for the next 12 months (current month +11 months) in India are hedged in USD/INR. Also, the company is optimally hedging GBP and EUR receivables.

STATUTORY SECTION

Board's Report

Dear Members,

Your Directors are pleased to present the Thirtieth 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, 2021.

Summary of Financial Performance

The financial performance of the Company for the financial year ended March 31, 2021, is summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Revenue including Other Income	16,524.81	14,971.15	35,747.01	33,339.60
Earnings Before Interest, Depreciation and Tax	3,674.05	3,044.76	5,482.14	4,349.10
Less: Interest	102.38	123.46	130.44	161.27
Less: Depreciation	699.43	692.62	803.71	825.79
Profit before Tax	2,872.24	2,228.68	4,547.99	3,362.04
Less: Taxes	936.65	821.14	1,339.68	1,118.56
Profit for the Year	1,935.59	1,407.54	3,208.31	2,243.48
Other Comprehensive Income-net of tax	319.77	(242.52)	106.99	436.92
Total Comprehensive Income for the year	2,255.36	1,165.02	3,315.30	2,680.40

Business Performance

The year under review was a challenging year given the pandemic and the subsequent lockdowns. The initial focus on IT spend by a majority of the customers was primarily on core business applications while reducing both discretionary and capex spend. Your Company, during these challenging times, partnered closely with customers by demonstrating resilience in the partnership and providing services, based on the demand, as per the market conditions. This flexibility helped the clients and the Company to retain and grow the revenue as customers moved on to accelerating their cloud and digital journey. Your Company has shown steady growth during the year gone by with an increase in revenue, EBITDA and developing a healthy pipeline to set a base for the coming year. Most importantly, your Company has been able to achieve an impressive growth in the annuity business and cross-selling additional services to existing clients. This indicates that the Company's strategy to have simultaneous focus on core enterprise solutions and digital led solutions are paving the way for good results.

The Company is also focused on sharpening the capabilities and value proposition by bringing in a sharper alignment with the sectors by structuring micro-verticals based on

market presence and ability to lead the segment with differentiated offerings.

On a consolidated basis, the revenue from operations for the financial year under review was at ₹ 35,747.01 million as compared against ₹ 33,339.60 million in the previous year, registering a growth of 7.22%. The Earnings before interest, tax, depreciation, and amortization was at ₹ 5,482.14 million versus ₹ 4,349.10 million, a growth of 26.05%. The Net Profit after tax was at ₹ 3,208.31 million versus ₹ 2,243.48 million registering a growth of 43%.

On a standalone basis, the revenue from operations was at ₹ 16,524.81 million. The Earnings before interest, tax, depreciation, and amortization was at ₹ 3,674.05 million and The Net Profit after tax was at ₹ 1,935.59 million.

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

Dividend

During the year under review, the Board of Directors declared an interim dividend of ₹ 1/- (50%) per equity share of face value of ₹ 2/- each on the paid-up equity share capital of the Company.

Furthermore, your Directors are pleased to recommend final dividend of ₹ 2.50 (125%) per equity share of face value of ₹ 2/- each for the financial year ended March 31, 2021, subject to the approval of members at the ensuing Annual General Meeting of the Company, as against the dividend (interim and final) of ₹ 2/- per equity share paid in the immediately preceding year.

As per the Finance Act 2020, the dividend declared/paid from April 1, 2020 will be taxable in the hands of the members and hence, payment of dividend distribution tax on the final dividend, if approved, will not arise.

The Record Date for the payment of final dividend is Friday, July 16, 2021 for determining the entitlement of the members to the final dividend for the financial year 2020-21.

The Dividend Distribution Policy of the Company is available on web link <https://www.birlasoft.com/company/investors/policies-reports-filings>.

Share Capital

During the year under review, the Company allotted 577,517 equity shares of ₹ 2/- each, under the Employees Stock Option Plan of the Company. The issued, subscribed and paid-up capital of the Company, as on March 31, 2021, is ₹ 554.57 million, consisting of 277,286,094 equity shares of ₹ 2/- each.

Transfer to General Reserves

During the year under review, the Company has not made any transfer to the General Reserves.

Credit Rating

The Company has been rated CARE AA- (Stable) by CARE Ratings Limited ("Credit Rating Agency") for its term bank facilities of ₹ 2,437 million.

Quality and Information Security

Birlasoft is a CMMI Level 5 Organization for the past several years in a row. We continue to improve our Quality focus through internal initiatives and by getting assessed against international standards. During the current Voice of Customer cycle, our customers appreciated the value delivered by Project teams and rated us at an average of 4.6 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) V1.3 at Maturity Level 5. This milestone is testimony to our commitment to continuously improve our quality & operational processes, while at the same time, strengthening our delivery capabilities to meet customer expectations. Our Quality Management System is compliant with ISO 9001:2015 and ISO 20000-1:2011 certifications 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 (ISMS) & Privacy Information Management System (PIMS). 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.

Your Company has leveraged leading industry standard controls to secure its IT infrastructure environment. While Birlasoft has been an ISO 27001:2013 Information Security Management System certified company for some time now, an ISO 27701:2019 Privacy Information Management System certification was also achieved in the year under review. The NIST Cyber Security Framework has been leveraged and is validated by third party vendors regularly.

Productivity

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

Productivity Forum, which is a bi-annual affair with events spanning 4 days, was held in August '20 and March '21. It is an eagerly watched event by technical champions who participate in large numbers.

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, 2021, the total Institutional Shareholding in the Company was 32.92% of the total paid-up share capital.

Subsidiaries, Associates and Joint Venture Companies

As on March 31, 2021, the Company has 15 subsidiaries, including step-down subsidiaries.

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

In accordance with Section 136(1) of the Act, this Annual Report of the Company, containing the standalone and the consolidated financial statements and all other documents required to be attached thereto have been placed on the website of the Company, www.birlasoft.com. Further, a report on the highlights of performance of subsidiaries and their contribution to the overall performance of the Company has also been placed on the website of the Company. Due to the continuing COVID-19 pandemic, the Company shall not be printing the annual accounts of the subsidiaries, the members are therefore, requested to download the same from the website of the Company.

During the financial year 2020-21, the Company had no Associate or Joint Venture company.

Board of Directors, its Committees and Meetings thereof

The Company has a professional Board with 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 the stakeholders. The Board is also supported by five Committees of Directors viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee & Risk Management Committee.

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

During the year, five meetings of the Board of Directors were held on May 20, 2020, August 5, 2020, November 5, 2020, February 6, 2021, and March 31, 2021. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the SEBI (LODR) Regulations, 2015”).

During the year under review, Mr. Prasad Thrikutam (Director Identification Number: 06814004) ceased to be an Independent Director of the Company, w.e.f. June 11, 2020.

In accordance with Section 152 of the Act, Mrs. Amita Birla (Director Identification Number: 00837718), a Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends the resolution for re-appointment of Mrs. Amita Birla for the approval of the members of the Company at the ensuing Annual General Meeting.

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

A detailed update on the Board and its Committees’ composition, number of meetings held during the financial year 2020-21 and attendance of the Directors at these meetings is provided in the Corporate Governance Report, which forms a part of this Annual Report.

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

Independence of the Board

The Board of Directors of the Company comprises 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) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act:

1. Mr. Ashok Kumar Barat (Director Identification Number: 00492930);
 2. Mr. Anant Talaulicar (Director Identification Number: 00031051);
 3. Ms. Alka Bharucha (Director Identification Number: 00114067);
 4. Ms. Nandita Gurjar (Director Identification Number: 01318683); and
 5. Mr. Prasad Thrikutam (Director Identification Number: 06814004) (upto June 10, 2020).
- All the abovenamed Directors have registered themselves with the Independent Director's Databank.

Key Managerial Personnel

The following persons have been designated as the Key Managerial Personnel 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	Tenure
1	Mr. Dharmander Kapoor	08443715	Chief Executive Officer & Managing Director	Ongoing
2	Mr. Chandrasekar Thyagarajan	200-29108	Chief Financial Officer	Appointed w.e.f. August 21, 2020
3	Ms. Sneha Padve	ACS 9678	Company Secretary	Ongoing

Auditors

Statutory Auditor

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

The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications, reservations or adverse remarks in the Auditor's Report for the financial year ended March 31, 2021 and during the year, the Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. K. R. Chandratre, Practising Company Secretary (FCS No.: 1370 and CP No.: 5144), was appointed as the Secretarial Auditor to conduct audit for the

year under review. The Secretarial Auditor's report for the year under review is annexed to this Report as "Annexure 2". The report 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.

The Board proposes to re-appoint Dr. K. R. Chandratre, Practising Company Secretary (FCS No.: 1370 and CP No.: 5144), as the Secretarial Auditor of the Company, for the financial year 2021-22.

Internal Auditor

The Internal Auditor of the Company reports functionally to the Chief Executive Officer & Managing Director and the Audit Committee of Board, which reviews and approves risk based annual internal audit plan. The Audit Committee periodically reviews the performance of internal audit function.

Corporate Governance

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, the Corporate Governance Report for the year ended March 31, 2021, with a detailed compliance report thereon forms an integral part of this Annual Report and is set out as separate section therein. The Auditor's Certificate in respect of compliance with the provisions concerning Corporate

Governance, forms a part of Corporate Governance Report presented in a separate section of this Annual Report, as required under the SEBI (LODR) Regulations, 2015.

Management Discussion and Analysis

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

Awards & Recognition

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

- Birlasoft wins Manufacturing Leadership Partner Award at the National Association of Manufacturers' **Manufacturing Leadership Council 2020**
- Birlasoft receives SABERA 2020 Award for its community-benefiting Initiative - *Project Shodhan*
- Birlasoft recognized as India's Most Admired & Valuable Power Brand Company 2020 at the **India Leadership Conclave & Awards 2020**
- Birlasoft wins Aegis Graham Bell Award (AGBA) for its intelliOpen™ solution (Press Release approved)
- Birlasoft named one of the Booming 15 (Global Market) in the 4Q20 Global ISG Index™

Particulars of Employees, Directors and Key Managerial Personnel

The ratio of the 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 Plan (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) Regulations, 2014, relating to ESOPs of the Company, is annexed to this Report as "Annexure 4" and have 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 B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 101248W/ W-100022), Statutory Auditor of the Company, confirming that the schemes have been implemented in accordance with the said SEBI Regulations, would be placed at the ensuing Annual General Meeting of the Company for inspection by the members.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

During the year under review, two 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	2
Number of cases pending at the end of the financial year	Nil
Details of workshops or awareness programs against sexual harassment carried out	The Company regularly conducts necessary awareness programs for its employees and all employees are provided detailed education during the induction
Nature of action taken by the employer or district officer	Extreme actions were recommended in the above mentioned two cases, however, the accused voluntarily resigned.

Deposits

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

Policy on Directors' appointment and remuneration

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

Particulars of loans, guarantees or investments under Section 186 of the Act

During the financial year under review, your Company has neither given any loan nor made any investment or provided

securities which are covered under the provisions of Section 186 of the Act.

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results:

Name	Nature of transaction	Amount (₹ in million)
National Engineering Industries Limited	Dividend	215.47

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.

There were no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to

which the financial statements relate and till the date of this Report.

Significant and material orders

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

Risk Management Policy

The Company has constituted a Risk Management Committee ('RMC') of the Board to review the risk management plan/process of the Company. The Risk Management Committee identifies potential risks, assesses their potential impact and takes timely action to mitigate the same.

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 a duly constituted RMC. 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.

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

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

Committee Recommendations

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

Corporate Social Responsibility ("CSR")

Pursuant to the amendment to the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified on January 22, 2021, the Corporate Social Responsibility Policy of the Company was amended in the Board meeting held on May 21, 2021.

The details of the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 & the amendments thereof, has been annexed to this Report as "Annexure 7".

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

Formal Annual Evaluation by the Board, 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 2020-21. The performance evaluation was done using individual questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership, etc. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board, excluding the Director being evaluated.

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

Establishment of Vigil Mechanism

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

Annual Return

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

Conservation of energy, technology absorption and foreign exchange earnings and outgo

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

Responsibility Statement of the Board of Directors

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2021, 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, 2021 and of the profit of the Company for the year ended March 31, 2021;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual financial statements on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CEO & CFO Certification

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO certificate, for the year under review was placed before the Board of Directors of the Company at its meeting held on May 21, 2021.

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

Cost Records

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

Secretarial Standards issued by the Institute of Company Secretaries of India

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

Listing with Stock Exchanges

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The Annual Listing Fees for the financial year 2021-22 have been paid to these exchanges.

Directors & Officers Insurance Policy

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

Other Statutory Disclosures

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

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

Acknowledgments

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

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

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

For and on behalf of the Board of Directors

London
May 21, 2021

Amita Birla
Chairman
DIN: 00837718

Form No. AOC-1

Statement containing salient features of the financial statement
of subsidiaries/associate companies/joint ventures

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

Part "A": Subsidiaries

(₹ in million except exchange rate)

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the Subsidiary	Birlasoft Solutions France	Birlasoft Solutions Inc.	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 Ltd. (Refer note 'd' below)	Birlasoft Technologies Canada Corporation (Refer note 'e' below)	Birlasoft Solutions Limited (Refer note 'j' below)	Birlasoft Inc.	Enable Path LLC (Refer note 'f' below)	Birlasoft (UK) Limited (Refer note 'f' and 'i' below)	Birlasoft GmbH (Refer note 'g' below)	Birlasoft Sdn. Bhd.	Birlasoft Solutions Mexico, S.A. DE C.V. (Refer note 'h' below)
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	8.58	4,072.67	8.04	373.22	23.59	2.14	52.14	0.00 *	50.40	37.01	589.41	15.12	2.14	0.09	-
Reserves & surplus	513.75	1,345.38	905.51	(300.61)	166.63	(43.13)	5.13	96776	123.69	3,320.81	(998.02)	180.82	(3.57)	21.58	3.36
Total assets	1,124.72	8,192.30	1,570.75	687.05	293.12	710.91	131.49	791.42	1,765.83	3,921.81	(408.62)	383.63	(1.03)	23.71	55.33
Total liabilities	602.39	2,774.25	657.20	614.44	102.90	751.90	74.21	(176.34)	1,591.74	563.99	-	187.69	0.40	2.04	51.97
Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	1,708.76	12,773.74	2,714.33	2,332.57	216.38	651.76	324.18	1,278.06	908.11	10,365.73	-	624.61	-	1412	71.30
Profit/(Loss) before taxation	362.00	825.94	(54.64)	(383.85)	27.52	(31.88)	47.07	87.24	168.89	662.55	(2773)	(45.30)	(0.44)	(0.21)	8.07

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the Subsidiary	Birlasoft Solutions France Inc.	Birlasoft Solutions Inc.	Birlasoft Computer Corporation	Birlasoft Consulting Inc. (Refer note 'a' below)	Birlasoft Solutions 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 'j' below)	Birlasoft Inc.	Enable Path LLC (Refer note 'f' below)	Birlasoft (UK) Limited (Refer note 'f' and 'i' below)	Birlasoft GmbH (Refer note 'g' below)	Birlasoft Sdn. Bhd.	Birlasoft Solutions Mexico, S.A. DE C.V. (Refer note 'h' below)
Provision for taxation	(111.09)	(95.44)	(14.06)	(14.96)	0.00 *	-	(11.96)	(22.80)	(32.41)	(99.44)	-	(0.74)	-	(0.48)	(2.42)
Profit/(Loss) after taxation	250.91	730.50	(68.70)	(398.81)	27.52	(31.88)	35.11	64.45	136.48	563.11	(2773)	(46.05)	(0.44)	(0.69)	5.65
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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

Notes:

- 100% owned by Birlasoft Solutions Inc.
- Includes Australia Branch and Korea Branch.
- 100% owned by Birlasoft Solutions Limited.
- 99.99% owned by Birlasoft Solutions Inc. and 0.01% owned by Birlasoft Limited.
- 100% owned by Birlasoft Computer Corporation.
- 100% owned by Birlasoft Inc.
- 100% owned by Birlasoft (UK) Limited.
- 98% owned by Birlasoft Solutions Inc. and 2% owned by Birlasoft Consulting Inc.
- Includes Netherlands Branch.
- Includes Spain Branch and Slovakia Branch.
- 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

London
May 21, 2021

Amita Birla
Chairman
DIN: 00837718

Annexure 2

SECRETARIAL AUDIT REPORT

for the financial year ended 31 March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2021 (‘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, 2021, according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;

- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(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 and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**.

vi. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Information Technology Act, 2000.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

The board of directors of the Company is duly constituted with proper balance of executive directors,

non-executive directors and independent directors. 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 the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, in pursuance of the composite scheme of arrangement as sanctioned by the National Company Law Tribunal dated 29 November 2018, the Company has re-classified its promoters which has been duly reported to the stock exchanges as required under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will be disclosed in the annual report for the financial year 2020-21.

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

Place: Pune
Date: 21 May 2021

UDIN: F001370C000354877
Peer Review Certificate No.: 463/2016

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.

Annexure to the Secretarial Audit Report

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

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

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

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

Place: Pune
Date: 21 May 2021

UDIN: F001370C000354877
Peer Review Certificate No.: 463/2016

Annexure 3

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Particulars	Disclosure	
i.	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mrs. Amita Birla	5.10
		Mr. Chandrakant Birla	2.04
		Mr. Ashok Kumar Barat	3.06
		Mr. Anant Talaulicar	2.55
		Ms. Alka Bharucha	2.04
		Ms. Nandita Gurjar	2.04
		Mr. Dharmander Kapoor *	Not Applicable
		Mr. Prasad Thrikutam #	Not Applicable
		* Not applicable as figures for 2019-20 are for the part of the year. # Not applicable as figures for 2020-21 are for the part of the year.	
ii.	The percentage increase in remuneration of each Director, CFO, CS in the financial year	Mrs. Amita Birla	0.00
		Mr. Chandrakant Birla	0.00
		Mr. Ashok Kumar Barat	0.00
		Mr. Anant Talaulicar	0.00
		Ms. Alka Bharucha	0.00
		Ms. Nandita Gurjar	0.00
		Mr. Dharmander Kapoor *	Not Applicable
		Mr. Prasad Thrikutam #	Not Applicable
		Ms. Sneha Padve (CS)	(18.99)
* Not applicable as figures for 2019-20 are for the part of the year. # Not applicable as figures for 2020-21 are for the part of the year.			
iii.	The increase in the median remuneration of employees in the financial year	20.50%	
iv.	The number of permanent employees on the rolls of the Company	9,363 employees as on March 31, 2021.	
v.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase in salaries of employees other than Managerial Personnel is 5.73%. Average increase in the remuneration of Directors and other Key Managerial Personnel is 7.95%.	
vi.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

For and on behalf of the Board of Directors

Amita Birla

Chairman

DIN: 00837718

London

May 21, 2021

Annexure 4

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) Regulations, 2014, as on March 31, 2021

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

The position of the existing schemes are summarized as under:

Sr. No.	Particulars	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme
I.	Details of the ESOPs/RSUs:						
1	Date of Shareholder's Approval	August 28, 2006	April 11, 2014	August 19, 2015	August 29, 2018	October 3, 2019	October 3, 2019
2	Total Number of Options/RSUs approved [#]	13,683,562	1,000,000	2,500,000	4,769,267	1,648,300	10,714,200
3	Vesting Requirements	The Options shall vest over a period of 1 to 3 years from the date of grant, as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40%	The Options shall vest over a period of 1 to 3 years from the date of grant, as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40%	The Options shall vest over a period of 1 to 3 years from the date of grant, as follows: End of year 1: 30% End of year 2: 30% End of year 3: 40%	The Options shall vest as follows: March 15, 2019: 30% March 15, 2020: 30% March 15, 2021: 40%	The RSUs shall vest as follows: End of year 2 : 50% End of year 3: 50%	The Options shall vest as follows: End of year 2 : 50% End of year 3: 50%
4	The Pricing Formula/ Exercise Price	Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options.	The Exercise Price shall be equal to face value of shares i.e. ₹ 2/- 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.	₹ 3.10 per option.	The Exercise Price shall be equal to face value of shares i.e. ₹ 2/- per RSU.	Closing Market Price of the Company's equity share on the Stock Exchange which has highest trading volumes, on the day prior to the date of grant of Options.
5	Maximum term of Options/RSUs granted (years)	a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 5 years from the date of vesting of options granted.	a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 5 years from the date of vesting of options granted.	a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 5 years from the date of vesting of options granted.	a. For Vested Options: Maximum period of 3 years from the date of grants. b. For Exercise of Options: Maximum period of 4 years from the date of vesting of options granted.	Maximum period of 4 years from the date of vesting of RSUs.	Maximum period of 4 years from the date of vesting of Options granted.
6	Method of Settlement	All Options/RSUs granted would be settled in Equity Shares in the ratio of 1:1					

Sr. No.	Particulars	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme
7	Source of shares	These Schemes use both new issue of shares by the Company ("Primary Shares") as well as secondary acquisition of shares ("Secondary Shares") by the Trust as source of shares for implementation.					
8	Variation in terms of ESOP/RSU	NIL					

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

Sr. No.	Particulars	ESOP 2006 Scheme			ESOP 2014 Scheme			ESOP 2015 Scheme			ESOP 2019 Scheme			BSL-RSU 2019 Scheme			BSL-SIP 2019 Scheme		
		No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of RSUs	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price		
II. Options/RSUs movement during the year ended March 31, 2021:																			
1	No. of Options/RSUs outstanding at the beginning of the year	784,155	58.14	-	-	496,800	60.78	1,589,016	3.10	1,233,647	2.00	6,192,931	62.40						
2	Options/RSUs granted during the year	-	-	-	-	-	-	-	-	411,216	2.00	942,644	183.92						
3	Options/RSUs forfeited/surrendered during the year	7,750	53.23	-	-	-	-	21,266	3.10	-	-	487,000	61.95						
4	Options/RSUs lapsed during the year	21,400	53.23	-	-	36,500	58.74	-	-	-	-	-	-						
5	Options/RSUs exercised during the year	294,605	57.78	-	-	74,400	66.06	577,517	3.10	-	-	-	-						
6	Total number of shares arising as a result of exercise of Options/RSUs	294,605	57.78	-	-	74,400	66.06	577,517	3.10	-	-	-	-						
7	Money realized by exercise of Options/RSUs ()	17,022,538	-	-	-	4,915,206	-	1,790,303	-	-	-	-	-						
8	Number of Options/RSUs outstanding at the end of the year	460,400	58.53	-	-	385,900	59.95	990,233	3.10	1,644,863	2.00	6,648,575	79.66						
9	Number of Options/RSUs exercisable at the end of the year	460,400	58.53	-	-	385,900	59.95	990,233	3.10	-	-	-	-						

Sr. No.	Particulars	ESOP 2006 Scheme		ESOP 2014 Scheme		ESOP 2015 Scheme		ESOP 2019 Scheme		BSL-RSU 2019 Scheme		BSL-SIP 2019 Scheme	
		No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of RSUs	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Options/RSUs movement during the year ended March 31, 2020:													
1	No. of Options/RSUs outstanding at the beginning of the year	1,229,650	55.54	30,000	2.00	547,800	60.58	4,753,138	3.10	-	-	-	-
2	Options/RSUs granted during the year	-	-	-	-	-	-	-	-	1,644,863	2.00	7,094,575	62.46
3	Options/RSUs forfeited/surrendered during the year*	75,695	55.54	30,000	2.00	51,000	60.58	599,353	3.10	411,216	2.00	901,644	62.82
4	Options/RSUs lapsed during the year	64,200	49.39	-	-	-	-	-	-	-	-	-	-
5	Options/RSUs exercised during the year	305,600	49.91	-	-	-	-	2,564,769	3.10	-	-	-	-
6	Total number of shares arising as a result of exercise of Options/RSUs	305,600	49.91	-	-	-	-	2,564,769	3.10	-	-	-	-
7	Money realized by exercise of Options/RSUs (₹)	4,868,522	-	-	-	-	-	7,950,784	-	-	-	-	-
8	Number of Options/RSUs outstanding at the end of the year	784,155	58.14	-	-	496,800	60.78	1,589,016	3.10	1,233,647	2.00	6,192,931	62.40
9	Number of Options/RSUs exercisable at the end of the year	784,155	58.14	-	-	496,800	60.78	734,548	3.10	-	-	-	-

*Options forfeited/surrendered during the year includes Options adjusted for corporate action & Birlasoft Options to the employees of the de-merged company i.e. KPIT Technologies Limited under ESOP 2006 & ESOP 2015 Schemes.

Sr. No.	Particulars	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme
III.	Diluted Earnings Per Share pursuant to issue of shares on exercise of Options/RSUs calculated in accordance with Indian Accounting Standard (Ind AS) 33						
	Method of Accounting						

11.29

Fair Value Method in accordance with Ind-AS 102: share based payment

Sr. No.	Particulars	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme
IV.	Weighted Average Fair Value of Options/RSUs granted during the year ended March 31, 2021 whose:						
(a)	Exercise price equals market price	-	-	-	-	-	79.20
(b)	Exercise price is greater than market price	-	-	-	-	-	-
(c)	Exercise price is less than market price	-	-	-	-	114.71	-
	Weighted Average Fair Value of Options/RSUs granted during the year ended March 31, 2020 whose:						
(a)	Exercise price equals market price	-	-	-	-	-	22.28
(b)	Exercise price is greater than market price	-	-	-	-	-	-
(c)	Exercise price is less than market price	-	-	-	-	52.61	-

Sr. No.	Particulars	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme
V.	The weighted average market price of options exercised during the year ended March 31, 2021	187.08	-	210.82	133.32	-	-
	The weighted average market price of Options exercised during the year ended March 31, 2020	72.90	-	-	73.29	-	-

Sr. No.	Particulars	ESOP 2006 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme		
VI.	Employee-wise details of Options/RSUs granted during the financial year 2020-21 to:								
(i)	Senior Managerial Personnel								
Sr. No.	Name of the Employee	No. of Options Granted	Exercise Price (₹)	No. of Options Granted	Exercise Price (₹)	No. of RSUs Granted	Exercise Price (₹)	No. of Options Granted	Exercise Price (₹)
1	Mr. Chandrasekar Thyagarajan - Chief Financial Officer	-	-	-	-	205,608	2.00	137,072	180.65
2	Mr. Arun Rao - Chief People Officer	-	-	-	-	205,608	2.00	137,072	67.00
(ii)	Employees who were granted, during any one year, Options/RSUs amounting to 5% or more of the Options/RSUs granted during the year:								
Sr. No.	Name of the Employee	No. of Options Granted	Exercise Price (₹)	No. of Options Granted	Exercise Price (₹)	No. of RSUs Granted	Exercise Price (₹)	No. of Options Granted	Exercise Price (₹)
1	Mr. Chandrasekar Thyagarajan - Chief Financial Officer	-	-	-	-	205,608	2.00	137,072	180.65
2	Mr. Arun Rao - Chief People Officer	-	-	-	-	205,608	2.00	137,072	67.00
3	Ms. Shilpa Bhandari - Sr. Vice President	-	-	-	-	-	-	105,000	180.65
4	Mr. Ashutosh Mankar - Vice President	-	-	-	-	-	-	90,000	115.20
5	Mr. Sumit Narang - Vice President	-	-	-	-	-	-	61,000	115.20
6	Mr. Jang Bahadur - Vice President	-	-	-	-	-	-	90,000	249.85
7	Mr. Abhinav Pandey - Associate Vice President	-	-	-	-	-	-	72,500	249.85
8	Mr. Tej Sarup - Lead Architect	-	-	-	-	-	-	55,000	249.85
(iii)	Identified employees who were granted Option/RSUs, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:								
Sr. No.	Name of the Employee	No. of Options Granted	No. of RSUs Granted	No. of Options Granted	No. of Options 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 Scheme	ESOP 2014 Scheme	ESOP 2015 Scheme	ESOP 2019 Scheme	BSL-RSU 2019 Scheme	BSL-SIP 2019 Scheme
VIII.	Method and assumptions used to estimate the fair value of Options/RSUs granted during the year ended March 31, 2021:						
	The fair value has been calculated using the Black Scholes Option Pricing Model						
Sr. No.	Variables	Weighted Average	Weighted Average				
1	Risk Free Interest Rate	-	-	-	-	5.07	5.02
2	Expected Life (in years)	-	-	-	-	3.91	3.80
3	Expected Volatility	-	-	-	-	52.59%	54.12%
4	Dividend Yield	-	-	-	-	2.05%	1.47%
5	Exercise Price (₹)	-	-	-	-	2.00	183.92
6	Price of the underlying share in market at the time of the option grant (₹)	-	-	-	-	123.83	183.92

Assumptions:

The assumptions used in the model are as follows:

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

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

(₹ in million)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Employee Option Plan Expense	111.75	96.39
2	Total Liability at the end of the period	199.62	140.90

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

Amita Birla
Chairman
 DIN: 00837718

London
 May 21, 2021

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

London
May 21, 2021

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 proviso 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 arrangement 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 or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
1	Birlasoft Solutions Inc. ("Birlasoft US") [Wholly Owned Subsidiary of Birlasoft Limited]	Contract for providing off-shore software development and consultancy services to Birlasoft US	Contract shall be effective from April 01, 2016 and shall remain valid until terminated by either party by giving 45 days' notice to other party.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft US; - Birlasoft US will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft US, under its contract with the end customer for provision of such services. 	Not required. Contract was entered in to in ordinary course of business and therefore, approval by the Board was not required.	NIL
2	Birlasoft Solutions Limited ("Birlasoft Solutions UK") [Wholly Owned Subsidiary of Birlasoft Limited]	Contract for providing off-shore software development and consultancy services to Birlasoft Solutions UK	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.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Solutions UK; - Birlasoft Solutions UK will pay to Birlasoft Limited 88% of the fees that it is due to Birlasoft Solutions UK, 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
3	Birlasoft Solutions GmbH ("Birlasoft Germany") [Wholly Owned Subsidiary of Birlasoft Solutions Limited]	Contract for providing off-shore software development and consultancy services to Birlasoft Germany	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.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Germany; - Birlasoft Germany will pay to Birlasoft Limited 88% of the fees that it is due to Birlasoft Germany, 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

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 or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
4	Birlasoft (UK) Limited (“ Birlasoft UK ”) [Wholly Owned Subsidiary of Birlasoft Inc.]	Contract for providing off-shore software development and consultancy services to Birlasoft UK	Contract shall be effective from April 01, 2019 and shall remain valid until terminated by either party by giving 45 days’ notice to other party.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft UK; - Birlasoft UK will pay to Birlasoft Limited 88% of the fees that it is due to Birlasoft UK, 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
5	Birlasoft Consulting Inc. (“ Birlasoft Consulting US ”) [Wholly Owned Subsidiary of Birlasoft Solutions Inc.]	Contract for providing off-shore software development and consultancy services to Birlasoft Consulting US	Contract shall be effective from April 01, 2016 and shall remain valid until terminated by either party by giving 45 days’ notice to other party.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Consulting US; - Birlasoft Consulting US will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft Consulting US, under its contract with the end customer for provision of such services. 	Not required. Contract was entered in to in ordinary course of business and therefore, approval by the Board was not required.	NIL
6	Birlasoft Computer Corporation, USA (“ Birlasoft Corporation US ”) [Wholly Owned Subsidiary of the Company]	Contract for providing off-shore software development and consultancy services to Birlasoft Corporation US	Contract shall be effective from April 01, 2016 and shall remain valid until terminated by either party by giving 45 days’ notice to other party.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Corporation US; - Birlasoft Corporation US will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft Corporation US, under its contract with the end customer for provision of such services. 	Not required. Contract was entered in to in ordinary course of business and therefore, approval by the Board was not required.	NIL
7	Birlasoft Inc. [Wholly Owned Subsidiary of Birlasoft Limited]	Contract for providing off-shore software development and consultancy services to Birlasoft Inc.	Contract shall be effective from April 1, 2019 and shall remain valid until terminated by either party by giving 45 days’ notice to other party.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Inc.; - Birlasoft Inc. will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft Inc., under its contract with the end customer for provision of such services. 	Not required. Contract was entered in to in ordinary course of business and therefore, approval by the Board was not required.	NIL

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 or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
8	Birlasoft Solutions France (“Birlasoft France”) [Wholly Owned Subsidiary of Birlasoft Limited]	Contract for providing off-shore software development and consultancy services to Birlasoft France	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.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft France; - Birlasoft France will pay to Birlasoft Limited 65% of the fees that it is due to Birlasoft France, 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
9	Birlasoft Technologies Canada Corporation (“Birlasoft Canada”) [Wholly Owned Subsidiary of Birlasoft Computer Corporation, USA]	Contract for providing off-shore software development and consultancy services to Birlasoft Canada	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.	<ul style="list-style-type: none"> - Birlasoft Limited will carry out the software development and consultancy work as per the requirements of Birlasoft Canada; - Birlasoft Canada will pay to Birlasoft Limited 95% of the fees that it is due to Birlasoft Canada, 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

London
May 21 ,2021

Amita Birla
Chairman
DIN: 00837718

Annexure 7

Annual Report on Corporate Social Responsibility (“CSR”) activities

1. Brief outline on CSR Policy of the Company:

Birlasoft is committed to serve the community in need and also encourage its employees to do so and give back to the society through various developmental activities for women, children, environment and in natural calamity. Birlasoft seeks to leverage its IT strength, global presence and strong employee base to transform the delivery of its social programs efficiently and effectively.

Simultaneously, Birlasoft also ensures that the CSR initiative programs are in line with the statutory norms defined in Schedule VII of the Companies Act, 2013 (“the Act”) or any other Acts, as applicable. In countries outside India, CSR initiatives selection will be based on local community’s needs and in consonance with vision & strength of Birlasoft Limited. Respective geographies to follow the local CSR compliances, if any.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Amita Birla (Chairman)	Non-Executive Director	2	2
2	Mr. Anant Talaulicar (Member)	Independent Director	2	2
3	Ms. Nandita Gurjar (Member)	Independent Director	2	2

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

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

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

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

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: N.A.
5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: NIL
6. Average net profits of the Company as per Section 135(5): ₹ 2,139.5 million

7. (a) Two percent of average net profits of the Company as per Section 135(5): ₹ 43 million
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set-off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 43 million
8. (a) 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)	
Amount	Date of transfer	Name of the Fund	Amount
52.7 million	NIL	N.A.	NIL
		N.A.	N.A.

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation-Direct (Yes/No)	(11) Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Disha: Higher education Scholarship program	Women and Child development	Yes	Uttar Pradesh	Delhi - Noida	3 years	3,447,850	3,447,850	-	Through implementation partner	Smile Foundation	CSR00001634
Total								3,447,850	-	-		

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation -Through Implementing Agency		
				State	District			Name	CSR Registration number	
1.	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ("PM CARES Fund").	Disaster Management	No	--	--	25,000,000	No	--	--	
2.	Shodhan	Environmental Sustainability	No	Punjab	Sangrur and Taran – Taran	12,200,920	Through implementation partner	CII Foundation	CSR00001013	
3.	e-vidya	Women and Child development	Yes	Noida, Pune, Mumbai, Hyderabad, Chennai, Bangalore	Noida, Pune, Mumbai, Hyderabad, Chennai, Bangalore	4,928,394	Through implementation partner	Smile Foundation	CSR00001634	
4	e-vidya	Women and Child development	No	Uttar Pradesh and Rajasthan	Jaunpur and Tonk	5,067,860	Through implementation partner	CII Foundation	CSR00001013	
5	Disha – Vocational Skill Scholarship program	Women and Child development	Yes	Uttar Pradesh	Delhi –Noida	970,000	Through implementation partner	Smile Foundation	CSR00001634	
6	Disha – Meal and Education	Women and Child development	Yes	Uttar Pradesh	Delhi –Noida	844,998	Through implementation partner	Dhai Akhar Foundation	--	
7	Disha – Health and Hygiene	Women and Child development	Yes	Maharashtra	Pune	48,000	Through implementation partner	Seva Sahyog	CSR00000756	
8	BforCe	Women and Child development	Yes	Noida, Pune, Mumbai, Hyderabad, Chennai, Bangalore	Noida, Pune, Mumbai, Hyderabad, Chennai, Bangalore	154,571	Through implementation partner	IndiaCare	--	
Total							49,214,743			

- (d) Amount spent in Administrative Overheads: NIL
 - (e) Amount spent on Impact Assessment, if applicable: NIL
 - (f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 52.7 million
 - (g) Excess amount for set-off, if any: NIL
9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL
 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):
 (a) Date of creation or acquisition of the capital asset(s): N.A.
 (b) Amount of CSR spent for creation or acquisition of capital asset: N.A.
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.
 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5): N.A.

For and on behalf of the Board of Directors

Amita Birla
Chairman
 London
 DIN: 00837718

Dharmander Kapoor
CEO & Managing Director
 Faridabad
 DIN: 08443715

May 21, 2021

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

1. This year we have changed monolithic UPS with modular UPS at Hyderabad location. This will give us better power efficiency thereby reducing the UPS power consumption by around 10% per annum.
2. The Company has initiated many projects towards conservation of energy and water. Recently, one such project executed to generate energy through solar power plant which has been installed on the roof top of cafeteria as well as on the terrace of SDB2 Building at the Company's Registered Office situated in Pune. For further details, please refer the Business Responsibility Report which forms part of this Annual Report.

Green Initiatives

1. Sensor based tap installed in washrooms to save water.
2. Induction of electric vehicles into our transportation fleet as a pilot run, Electric Vehicles will be plying in our Bengaluru office.

Occupational Health and Safety Assessment Series (OHSAS)

Insurance Policies:

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

employees, in case of an accident during or after working hours. Similarly, GTL provides the insurance coverage to the employees, in case of deaths which could be natural, accidental or suicidal.

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

Bcares' vision is to inspire, create, and maintain holistic well-being of employees. This program is built on five pillars of wellness viz:



Wellness activities:

All the wellness related initiatives were conducted virtually on varied areas to ensure holistic well-being during Corona Pandemic

- Telemedicine consultation for COVID-19.
- Fitness challenges and crash courses on fitness.
- Webinars/workshops on emotional and mental well-being of employees and their family members during the COVID-19 outbreak.
- Health assessments and happiness quotient.
- Measures were undertaken to safeguard the health of employees like sanitization of facilities & social distancing.
- Regular communication and connect with employees through advisory.
- Talk on diets, exercise and ergonomics during work from home.

- COVID-19 training on safety measures and awareness for all associates on third-party vendors.
 - Digital and paper communication on COVID-19 awareness and prevention.
 - Regular sterilization of workplace by professional.
 - Provision of masks and sanitizers to all associates.
 - In house sterilization of all cabs was conducted.
 - Sanitizers placed at all key points including entry and exit in the premises to ensure easy access for employees.
 - Infra-red temperature guns introduced to check temperature of all employees and third-party personnel entering the premises.
 - Regular chemicals and toiletries replaced by COVID-19 specific disinfectant cleaners for effectiveness.
 - Heartfulness and Mindfulness sessions for healthy mind and soul.
 - Virtual Isometric and yoga sessions.
 - Fitness challenges and Virtual walkathon.
 - Financial guidance on savings, investments for women and workshop on Investment Post Union Budget 2021.
 - Employee assistance program for 24*7 counselling services.
 - Occupational health center.
 - Empaneled dietician and general physician.
 - Cancer awareness session.
 - Provision of health food counters in all locations.
 - Life skill training like CPR and AED.
 - Wellness hour.
 - Radiant women program for women employees of all ages and stages.
 - Workshop on Menstruation Hygiene.
 - Discounted medicines at branded medical stores.
 - Free mammography for women employees and spouses of the male employees.
 - Sanitary Napkins availability in all the restrooms.
 - Specialized health programs on Corona Care – leaves, insurance, counselling, vaccination.
 - Check-in and check-out of security escorts for lady employees has been automated to get online records.
 - Social connects with employees and community to ensure engagement and minimize isolation.
 - Display of Awareness posters in common areas (displaying precautionary measures for employees).
 - Availability of Hand sanitizer at all main entry/exits and common areas.
 - Introduced UV sanitech boxes to disinfect the personal belongings.
 - Replacement of regular cleaning agents (R1 & R2) by Oxivir Five16/Virex disinfectant cleaner specifically used for killing Norovirus and Canine Parvovirus.
 - Thermal cameras introduced to check body temperatures of everybody entering the premises.
 - Sanitization of all offices through professional agency.
 - Regular Sanitization of all common touch points like door handles, lifts, meeting rooms, company provided vehicles etc.
 - Sanitizations of cabs after every pick and drop. Sensitization of cab drivers on Do's and Don'ts for COVID-19.
 - SOP created specifically on COVID-19 Preparedness.
- Other initiatives:
- Laughter yoga for relaxation of mind.
 - Employee assistance program for 24*7 counselling services.
 - Check-in and check-out of security escorts for lady employees has been automated to get online records.
 - Online Workshop on “Easy Meditation for Busy People”.
 - Online Interactive Session on Healthy Diet & Lifestyle.

Technology Absorption

With achieving the integration milestone, the next objective has been to deliver value to functions with cost effective operating model with a secured environment. Therefore, the focus has been to run to parallel track as business and technology transformation. With COVID-19 bringing the turbulence, technology has become a common denominator across functions for business continuity and we as an organization also accelerated the transformation journey.

Creating a digital workplace has been one of the prime objectives, enabling employees to operate from anywhere and support our customers. Changes were done to Infrastructure, policies, practices to provide a seamless and scalable digital experience. With significant use of online collaboration platform, we've been able to meet all milestones and service levels for customers with our employees.

With adoption of work from home model, most of the assets have been outside the physical and logical security parameters. This emphasized the importance to address the concerns around cyber security. As an organization, we focused on building a Zero Trust Security architecture. A zero-trust network access and multifactor authentication have been implemented to offer remote access.

Since we embraced the cloud native development, focus on cloud readiness for apps and infra has been one of the

key focus areas. Multiple initiatives have been taken up across different datacenters to consolidate, make these environment cloud ready and few were migrated. Application modernization and rationalization was done as part of the migration journey rather just “lift and shift”.

One of the key focus areas for us has been to ride the wave of hyper automation and data analytics. We have been maximizing the potential of automation digital acceleration, increase resilience, enable scale, cut costs etc. Robotic Process Automation (RPA), and other automation technologies have been leveraged across the business and IT processes. Multiple analytics modules using Data lake with AL/ML capability have been built to provide better prediction and decision-making.

In today's scenario technology is redefining the business models. Therefore, we at Birlasoft have been continuously exploring new ways to operate in a secured environment and drive growth.

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 ₹ 14,197.11 million (previous year ₹ 11,924.21 million) and foreign exchange outgo (including imports) has been ₹ 822.40 million (previous year ₹ 588.15 million).

For and on behalf of the Board of Directors

Amita Birla
Chairman

DIN: 00837718

London
May 21, 2021

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 in a manner that is accountable and responsible to the shareholders.

Corporate Governance implies an accurate, adequate and timely disclosure of relevant information. It includes the processes through which organization's objectives are set and pursued in the context of the social, regulatory and market environment. Efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the business of any organization. The importance of such Corporate Governance has now become more intensified, owing to ever-growing competition and rivalry in the 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, transparent and beneficial to all the stakeholders.

Corporate Governance is basically an approach of managing efficiently and prudently all the activities of a company, in order to make the business stable and secure, growth-oriented, maximally profitable to its shareholders and highly reputed and reliable among all customers and clients. The Company is directed and controlled in a way in order to achieve the goals and objectives to add value to the Company and also benefit the stakeholders in the long term. The Board Structure and Top Management are directly responsible for such governance. For these purposes, the Top Management must have flawless and effective control over all affairs of the organization, regular monitoring of all business activities and transactions, proper care and concern for the interest and benefit of the shareholders and strict compliances to regulatory and governmental regulations. Thus, Corporate Governance is strict and efficient application of all best management practices and

corporate & legal compliances, amid the contemporary and continually changing business scenarios.

We, at Birlasoft, have been practicing Corporate Governance to ensure transparency in our corporate affairs and are committed to continuously scale up the 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, efficiently and in a transparent manner based on the following principles:

1. Compliance with the relevant provisions of securities laws and conformity with globally accepted practices of corporate governance, Secretarial Standards provided by the Institute of Company Secretaries of India and laws of India in true spirit;
2. Integrity in financial reporting and timeliness of disclosures;
3. Transparency in the functioning and practices of the Board;
4. Balance between economic and social goals;

5. Equitable treatment and rights of shareholders;
6. Maintenance of ethical culture within and outside the organization;
7. Establishing better risk management framework and risk mitigation measures; and
8. Maintaining independence of auditors.

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

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

I. Board Of Directors

A. Size and composition of the Board

In order to maintain independence of 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. Out of the total strength of seven Directors as on March 31, 2021, four are Independent Directors, two are Non-Executive Directors and one is an Executive Director. The Board members come from diverse background and possess rich experience and expertise in various fields. The composition of the Board and the number of directorships held by each Director both in the Company as well as outside the Company is detailed in Table 1.

Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2021

Sr. No.	Name of Director	Category of Directorship at Birlasoft	Relationship with the Directors	No. of Directorships held in Public Companies*	Name & Category of Directors in other Listed Companies	No. of Committee Membership in Companies ^{##}	No. of Chairmanship in Committees [@]
1	Mrs. Amita Birla	Non-Executive, Non Independent Director - Chairman related to Promoter	Yes (Spouse of Mr. Chandrakant Birla)	4	1. Orient Cement Limited - Non-Executive, Non-Independent Director	1	Nil
2	Mr. Chandrakant Birla	Non-Executive	Yes (Spouse of Mrs. 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

Sr. No.	Name of Director	Category of Directorship at Birlasoft	Relationship with the Directors	No. of Directorships held in Public Companies*	Name & Category of Directors in other Listed Companies	No. of Committee Membership in Companies ^{##}	No. of Chairmanship in Committees [@]
3	Mr. Ashok Kumar Barat	Independent	None	8	1. Bata India Limited - Non-Executive, Independent Director 2. DCB Bank Limited - Non-Executive, Independent Director 3. Cholamandalam Financial Holdings Limited - Non-Executive, Independent Director 4. Cholamandalam Investment and Finance Company Limited - Non-Executive, Independent Director 5. Huhtamaki India Limited - Non-Executive, Independent Director	8	5
4	Mr. Anant Talaulicar	Independent	None	8	1. Force Motors Limited – Non-Executive, Independent Director 2. The Hi-Tech Gears Limited – Non-Executive, Non-Independent Director 3. KPIT Technologies Limited - Non-Executive, Independent Director 4. India Nippon Electricals Limited - Non-Executive, Independent Director 5. Everest Industries Limited - Non-Executive, Independent Director – Chairman	4	Nil
5	Ms. Alka Bharucha	Independent	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	9	3
6	Ms. Nandita Gurjar	Independent	None	3	1. Galaxy Surfactants Limited - Non-Executive, Independent Director	2	Nil
7	Mr. Dharmander Kapoor	Executive	None	1	Nil	1	Nil

* including directorship in Birlasoft Limited.

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

Memberships include Chairmanship.

All the conditions as prescribed under the SEBI (LODR) Regulations, 2015, with respect to directorships, committee memberships & chairmanships, are being complied with by the Directors of the Company. Further, they have made necessary disclosures regarding the same as on March 31, 2021.

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

The Board of Directors is structured with a judicious mix of various skills & competencies in order to assist the management and provide them advice in the business operations.

The list of core skills/competencies identified by the Board of Directors are as follows:

- a) Expertise in legal, finance & accountancy,
- b) Technical consultancy,
- c) IT business operations,

- d) Human resources (stakeholder engagement),
- e) Sales & delivery,
- f) Risk management,
- g) Knowledge of the industry,
- h) Leadership,
- i) Board service & governance.

All the above-mentioned skill sets are available with the current Board of Directors for guiding the management in the efficient functioning of the Company.

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

Table 2: Key Board Qualifications/Attributes/Expertise

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

C. Board Familiarization Program

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

During the year, the Board members were provided a deep and thorough insight of the business model of the Company through detailed presentations on the operational aspects of the Company's business. At every Board meeting, there is a detailed business presentation made which is useful to the Directors in understanding

the business including projects, market share, financial parameters, working capital management, fund flows, change in senior management, major litigation(s), compliance(s), etc. The presentation is made by business leaders so that the Directors are able to connect with them and also ask them related questions. 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 uploaded on the website of the Company at <https://www.birlasoft.com/company/investors/corporate-governance>.

D. Succession Planning

The Company believes that it may benefit from the principles of identifying crucial job skills, knowledge, social relationships and organizational practices and passing them on to prepare the next generation of workers, thereby ensuring the seamless movement of talent within the organization. The Nomination & Remuneration Committee of the Company works along with the Human Resource team for a structured leadership succession plan.

E. Independent Directors

1. Independent Director

In the opinion of the Board, all the Independent Directors fulfill the criteria on independence as prescribed under Regulation 16 of the SEBI (LODR) Regulations, 2015, as explained below, and are independent of the management.

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

- a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;
- b. who is or was not a Promoter of the Company or its holding, subsidiary or associate companies or member of the promoter group of the Company;
- c. who is not related to Promoters or Directors in the Company or its holding, subsidiary or associate companies;
- d. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company or its holding, subsidiary or associate companies, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- e. none of whose relatives has or had pecuniary relationship or transaction with the Company or its holding, subsidiary or associate

companies, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- f. who, neither himself nor whose relative(s)-
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate companies in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate companies; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company or its holding, subsidiary or associate companies amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its promoters, Directors or its holding, subsidiary or associate companies or that holds two per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or lessor or lessee of the Company;

g. who is not less than 21 years of age;

h. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

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.

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 criteria for performance evaluation of Independent Directors, which are given below:

- 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 judgement;

f) Impact and influence; and

g) Performance of the Directors.

6. Separate meeting of the Independent Directors

During the financial year 2020-21, a separate meeting of the Independent Directors of the Company was held on March 1, 2021.

F. Responsibilities of the Chairman and other Directors

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

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

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

The Independent Directors ensure Board effectiveness to maintain high-quality governance of the organization and the effective functioning of the Board.

The Board of Directors oversee the Management's functions and protects the long-term interests of our stakeholders.

G. Membership Term

As per the current laws in India, Independent Directors can hold office for a term of five years which can be extended for another period of five years. In the Annual General Meeting held on August 7, 2019, the members appointed Mr. Ashok Kumar Barat, Ms. Nandita Gurjar and Mr. Prasad Thrikutam for a term of five years,

with effect from January 15, 2019. Further, Mr. Anant Talaulicar and Ms. Alka Bharucha were appointed as Independent Directors, for a term of five years from October 21, 2017 and May 23, 2018 respectively.

Mr. Prasad Thrikutam – Independent Director, resigned on June 11, 2020, owing to an opportunity elsewhere on a full-time basis, which would have posed a potential conflict of interest as well as additional demands on his time. Mr. Thrikutam also confirmed that there are no material reasons for his resignation other than those mentioned by him.

Mrs. Amita Birla is appointed as the Chairman, and Mr. Chandrakant Birla is appointed as Non-Executive Director.

Two-third of the Non-Independent Directors are liable to retire by rotation. Out of the two-third Directors, one-third of such directors shall retire from office, and shall be eligible for re-appointment at the ensuing Annual General Meeting. Mr. Chandrakant Birla retired by rotation at the Annual General Meeting held on August 26, 2020, and being eligible, was reappointed as a Director in the same meeting. At the ensuing Annual General Meeting, Mrs. Amita Birla retires by rotation, and being eligible, offers herself for re-appointment as a Director.

The Chief Executive Officer and Managing Director is appointed by the members of the Company (subject to retirement by rotation as mentioned hereinabove), but is eligible for re-appointment upon completion of his term.

H. Board & Committee Meeting Agenda and Minutes

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 SEBI (LODR) Regulations, 2015, is made available to the members of the Board/Committee. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings. In compliance with the statutory requirements, the following items are discussed in the quarterly meetings:

- Minutes of the previous Board meeting and meetings of Board committees held in the previous calendar quarter;
- Noting of resolutions passed by circulation;
- Minutes of Board meetings of all subsidiaries held in the previous calendar quarter;
- Quarterly results of the Company and its operating divisions or business segments;
- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Presentation on the financial results, which generally includes the following:
 - Financials for the quarter and its analysis
 - Cash profit generated during the quarter
 - Yearly financial plan v/s actual financial plan
 - SBU (Strategic Business Unit) wise performance
 - Profitability drivers
 - Utilization of resources
 - Peer group analysis and analyst coverage
 - Mergers and acquisitions pursuits
 - Investments in the Company
 - Subsidiaries' financials and operations
 - Statement on foreign exchange exposure and related mitigating activities.
- Presentations of the Statutory Auditor's Audit and Limited Review Report;
- Related party transactions (including material transactions with subsidiaries);
- Corporate Governance compliances and statutory compliance certificate;

- Other statutory agenda including action tracker on implementation of decisions taken in previous Board meeting(s) and presentation by Internal Auditors;
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods/services sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement and its compliance;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant development in Human Resources front;
- Sale of material nature of investments, subsidiaries, assets, not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and any shareholders' service such as non-payment of dividend, delay in share transfer, etc.

Every agenda and minutes of the meetings are prepared in compliance with the SEBI (LODR) Regulations, 2015, as well as the Act, and the rules framed thereunder, in

force from time to time and the Secretarial Standards issued by the Institute of Company Secretaries of India. The draft minutes of the proceedings of the meetings of the Board as well as the Committees of the Board are circulated to all the Directors/Members of the Committee.

I. Non-Executive Directors' shareholding

As on March 31, 2021, none of the Non-Executive Directors hold equity shares of the Company.

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

J. Other provisions as to Board and Committees

1. Board meetings schedule:

As a good practice, the dates of the Board meetings in a financial year are decided in advance and circulated to all the Board members. The Board meetings are usually held at the Registered Office of the Company located in Pune or at other offices situated in National Capital Region. However, owing to the COVID-19 Pandemic, this time, the meetings were held over video-conferencing in terms of 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 in advance of the meetings. The Board meets at least once every quarter to review and approve the quarterly results and other items on the agenda. In addition, the Board normally meets annually, for discussions on the annual operating plan. Additional Board meetings are held, whenever necessary.

During the year, five Board meetings were held on the following dates:

- a) May 20, 2020;
- b) August 5, 2020;
- c) November 5, 2020;
- d) February 6, 2021; and
- e) March 31, 2021.

Table 3: Number of Board meetings and the attendance of Directors during the financial year 2020-21

Sr. No.	Name of the Director	No. of Board meetings held during FY 2020-21	No. of Board meetings attended by the Directors during FY 2020-21*	Attendance at the last AGM
1	Mrs. Amita Birla – Chairman	5	5	Yes
2	Mr. Chandrakant Birla	5	5	Yes
3	Mr. Ashok Kumar Barat	5	5	Yes
4	Mr. Anant Talaulicar	5	5	Yes
5	Ms. Alka Bharucha	5	3	Yes
6	Ms. Nandita Gurjar	5	5	Yes
7	Mr. Prasad Thrikutam**	1	1	N.A.
8	Mr. Dharmander Kapoor	5	5	Yes

*Including attendance by videoconference or teleconference.

**Ceased to be an Independent Director with effect from June 11, 2020. During his tenure, only one Board Meeting was held.

2. Membership of Board committees

None of the Directors of the Company hold membership of more than ten committees nor is any Director a Chairman of more than five committees of boards of all the companies where he/she holds directorships (please refer Table 1).

3. Review of compliance reports

For monitoring and ensuring compliance with applicable laws by the Company and its subsidiaries located in and outside India and for establishing adequate management control over the compliances of all acts, laws, rules, regulations and regulatory requirements, the Company has set-up a regulatory compliance process within the organization. The Compliance Officer is the process owner of this process and is responsible for obtaining compliance certificates from all departments and entities and reporting compliance to the Board of Directors. Thereafter, a quarterly compliance certificate is placed before the Board of Directors of the Company, which reviews compliance reports of all laws applicable to the Company on a quarterly basis in its Board Meetings.

II. Committees of the Board

The Board Committees as on March 31, 2021, are - Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee,

Corporate Social Responsibility (“CSR”) Committee and Risk Management Committee. All of these Committees are chaired by Non-Executive/Independent Directors. The Board is responsible for constituting, co-opting and fixing the terms of reference for the Committees. The dates of the Committee meetings in a financial year are also decided before the start of the financial year and circulated to all the members. Normally, the Audit Committee meets at least four times a year; Stakeholders Relationship Committee meets annually; CSR, Risk Management and Nomination and Remuneration Committee meets 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. Draft minutes of the Committee meetings are circulated to the members of those committees for their comments and thereafter, confirmed in its next meeting. The Board of Directors also take note of the minutes of the Committee meetings held in the previous calendar quarter, at its meetings.

A. Audit Committee

Composition

During the year, the Committee was reconstituted. As on March 31, 2021, the Audit Committee consists of four Independent Directors. Mr. Ashok Kumar Barat is the Chairman of this Committee, and Mr. Anant Talaulicar, Ms. Alka Bharucha and Ms. Nandita Gurjar are the other members. All members of this Committee are

financially literate. A brief profile of all the Committee members is provided in this Annual Report. The Chief Financial Officer attends all the meetings of the Committee. The Company Secretary is the Secretary to the Committee. The Statutory Auditor and the Internal Auditor also make their presentations at the Committee meetings.

Role and objectives

The Company has duly defined the role and objectives 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 the Act, as amended from time to time. The role and objectives of the Audit Committee, as defined by the Board of Directors, inter alia include:

1. oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up thereon;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- f) disclosure of any related party transactions;
- g) modified opinion(s) in the draft audit report;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
22. management discussion and analysis of financial condition and results of operations;
23. statement of significant related party transactions (as defined by the audit committee), submitted by management;
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

During the financial year 2020-21, the Audit Committee met four times – May 19 & 20, 2020, August 5, 2020, November 4 & 5, 2020 and February 2 & 6, 2021. The details of meetings and attendance are given in Table 4.

Table 4: Audit Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of meetings held during FY 2020-21	No. of meetings attended
1	Mr. Ashok Kumar Barat – Chairman	4	4
2	Mr. Anant Talaulicar	4	4
3	Ms. Alka Bharucha	4	2
4	Ms. Nandita Gurjar	4	4
5	Mr. Prasad Thrikutam*	1	1

* Mr. Prasad Thrikutam ceased to be a member of the Committee with effect from June 11, 2020. During his tenure, only one Audit Committee Meeting was held.

B. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee consists of two Independent Directors and one Non-Executive Director. Mr. Anant Talaulicar is the Chairman and Mrs. Amita Birla and Ms. 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 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. formulation of criteria for evaluation of performance of board of directors, its committees, individual directors and independent directors, to be carried out by the Board/Committee or by an independent external agency and review its implementation and compliance;
3. devising a policy on diversity of Board of Directors;
4. 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;
5. 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;
6. recommend to the Board, all remuneration, in whatever form, payable to senior management.

Meetings

The Committee met three times during the year – May 20, 2020, November 4, 2020 and February 2, 2021. The details of meetings and attendance are given in Table 5.

Table 5: Nomination and Remuneration Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of Board meetings held during FY 2020-21	No. of meetings attended
1	Mr. Anant Talaulicar – Chairman	3	3
2	Mrs. Amita Birla	3	3
3	Ms. Nandita Gurjar	3	3

C. Stakeholders Relationship Committee

Composition

The Board has formed a Stakeholders Relationship Committee to look into shareholder-related matters. During the year, the Committee was reconstituted. The members as on March 31, 2021, are Ms. Alka Bharucha as the Chairman of the Committee, Ms. Nandita Gurjar and Mr. Dharminder Kapoor are the other members of the Committee.

Compliance Officer

The Board has appointed Ms. 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 and as defined by the Board of Directors of the Company:

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 review and resolve only those cases which are pending for action for more than normal processing period. The details of complaints received, solved and pending

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 same is placed before the Board on a quarterly basis.

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

During the year, one meeting of the Stakeholders Relationship Committee was held on November 4, 2020. The details of the meeting and attendance are given in Table 6.

Table 6: Stakeholders Relationship Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of Board meetings held during FY 2020-21	No. of meetings attended
1	Ms. Alka Bharucha – Chairman	1	1
2	Mr. Prasad Thrikutam*	N.A.	N.A.
3	Mr. Dharmander Kapoor [#]	1	1
4	Ms. Nandita Gurjar	1	1

* Mr. Prasad Thrikutam ceased to be a member of this Committee with effect from June 11, 2020. During his tenure, no Stakeholders Relationship Committee Meeting was held.

[#] Mr. Dharmander Kapoor was appointed as a member of this Committee with effect from August 5, 2020.

Table 7: Details of Complaints by the Shareholders/Investors during the period from April 1, 2020 to March 31, 2021

Sr. No.	Nature of complaints	No. of pending complaints as on April 1, 2020	No. of complaints received	No. of complaints processed	No. of pending complaints as on March 31, 2021
1	SEBI [SCORES (SEBI Complaints Redress System)]	Nil	1	1	Nil
Total		Nil	1	1	Nil

D. Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility 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

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

Role and objectives

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

1. formulation and recommendation of CSR policy to the Board;
2. identification of activities to be undertaken by the Company;

3. recommendation of amount of expenditure on CSR activities;
4. monitor the CSR policy from time to time.

Meetings

The Committee met twice during the year on May 20, 2020 and November 4, 2020. The details of meetings and attendance are given in Table 8.

Table 8: Corporate Social Responsibility Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of Board meetings held during FY 2020-21	No. of meetings attended
1	Mrs. Amita Birla – Chairman	2	2
2	Ms. Nandita Gurjar	2	2
3	Mr. Anant Talaulicar	2	2

E. Risk Management Committee

The Company has an integrated approach to managing the risks inherent in the various aspects of 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.

The Company has a Risk Management Committee, as required by Regulation 21 of the SEBI (LODR) Regulations, 2015.

Composition

During the year, the Committee was reconstituted. The members of the Committee as on March 31, 2021, are Mr. Anant Talaulicar, Ms. Alka Bharucha, Mr. Ashok Kumar Barat and Ms. Nandita Gurjar.

Role and objectives

The role and objectives of the Committee, as defined by the Board of Directors of the Company is as under:

- To monitor and review the Risk Management Plan of the Company;
- To monitor and review cyber security measures.

Meetings

The Committee met once during the year on November 4, 2020. The details of meeting and attendance are given in Table 9.

Table 9: Risk Management Committee - meetings and attendance

Sr. No.	Name of the Committee Member	No. of Board meetings held during FY 2020-21	No. of meetings attended
1	Mr. Prasad Thrikutam*	N.A.	N.A.
2	Mr. Anant Talaulicar	1	1
3	Ms. Alka Bharucha	1	1
4	Mr. Ashok Kumar Barat	1	1
5	Ms. Nandita Gurjar	1	1

* Mr. Prasad Thrikutam ceased to be a member of this Committee with effect from June 11, 2020. During his tenure, no Risk Management Committee Meeting was held.

III. Remuneration of Directors

Within the limits prescribed under the Act, and by the members' resolutions, the Nomination and Remuneration Committee 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.

Table 10: Remuneration paid to Executive Director in the financial year 2020-21

(Amount in ₹ million)

Name of Director/ Remuneration Details	Mr. Dharmender Kapoor CEO & Managing Director
Salary	23.10
Employer's contribution to Provident Fund	1.48
Leave Encashment	0.72
Variable Performance Incentive	9.42
Perquisites*	19.73
Notice Period	3 months
Severance fees	Notice pay
Total	54.45

* In accordance with the definition of perquisites under the Income Tax Act, 1961, the remuneration includes the following:

- Value of stock incentives only on those shares that have been exercised during the period. Accordingly, the value of stock incentives granted during the period is not included.
- Club membership fee paid by the employer.

Notes:

- Managerial remuneration excludes provision for gratuity, as separate actuarial valuation for the Directors is not available.
- Perquisite excludes PF Contribution to the extent it exceeds seven lakh and fifty thousand rupees and interest thereon.

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 Manager. The Board of Directors of the Company has approved a commission of ₹ 16.50 million (previous year ₹ 21.50 million) to the Non-Executive Directors of the Company for the financial year 2020-21. There is no other remuneration to the Non-Executive Directors, except sitting fees for the meetings attended by them. The details of remuneration to the Non-Executive Directors for the financial year 2020-21 are given in Table 11.

Table 11: Remuneration to Non-Executive Directors

(Amount in ₹ million)

Name of Director	Commission	Sitting Fees
Mrs. Amita Birla – Chairman	5.00	0.75
Mr. Chandrakant Birla	2.00	0.50
Mr. Ashok Kumar Barat	3.00	0.95
Mr. Anant Talaulicar	2.50	1.20
Ms. Alka Bharucha	2.00	0.60
Ms. Nandita Gurjar	2.00	1.25
Mr. Prasad Thrikutam*	N.A.	0.20
Total	16.50	5.45

* Ceased to be an Independent Director with effect from June 11, 2020.

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

Remuneration	Board meeting & Audit Committee meeting	Other Committee meetings
Sitting Fees	₹ 1,00,000/- per meeting	₹ 50,000/- per meeting
Commission	The total amount of commission to be paid to the Non-Executive Directors for the financial year 2020-21 is ₹ 16.50 million. This is distributed among the Non-Executive Directors on the basis of their chairmanship/membership of Board committees, duration of their directorship during the year and their general contribution to the Company outside board/committee meetings.	

IV. Shareholders' Information

A. General body meetings

Table 13: Details in respect of the last 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 29, 2018 (2017-18)	KPIT Technologies Limited Auditorium, SDB - II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.	11:30 A.M.	1) To re-appoint Mr. Anant Talaulicar (DIN: 00031051) as an Independent Director of the Company for a period of five years from October 21, 2017, not liable to retire by rotation.
August 7, 2019 (2018-19)	Birlasoft Limited Auditorium, SDB – II, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.	04:00 P.M.	1) To adopt a new set of Articles of Association of the Company.
August 26, 2020 (2019-20)	Held through Video Conferencing/Other Audio Visual Means (“VC/OAVM”) pursuant to notifications issued by Ministry of Corporate Affairs, hence deemed venue being the Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057.	02:30 P.M.	1) Adoption of a new set of Memorandum of Association. 2) Approval of the waiver of recovery of excess remuneration.

B. Special Resolution through Postal Ballot

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

Further, there is no immediate proposal for passing any resolution through Postal Ballot.

C. Relationship between the Directors

There is no relationship between the Directors of the Company, inter-se, except Mr. Chandrakant Birla – Non-Executive Director of the Company, who is the spouse of Mrs. Amita Birla – Chairman of the Company.

D. Means of Communication

a) Quarterly Results

The Company's quarterly financial results are posted on the Company's website <https://www.birlasoft.com/company/investors/policies-reports-filings>. During the financial year, the financial results were published in Financial Express, Indian Express and Loksatta. The financial results and all material information are also regularly provided to the Stock Exchanges as per the requirements of the SEBI (LODR) Regulations, 2015.

Table 14 – Details of Publication of Financial Results in Newspapers

Date of Publication	Particulars	Newspaper
N.A.	Audited consolidated financial results for the quarter and year ended March 31, 2020.	Exempt due to COVID -19
August 6, 2020	Unaudited consolidated financial results for the quarter ended June 30, 2020.	The Financial Express, Indian Express & Loksatta
November 6, 2020	Unaudited consolidated financial results for the quarter and half year ended September 30, 2020.	The Financial Express, Indian Express & Loksatta
February 8, 2021	Unaudited consolidated financial results for the quarter and nine months ended December 31, 2020.	The Financial Express, Indian Express & Loksatta

b) News releases

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

c) Presentations to the institutional investors/analysts

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

d) Website

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

e) Letters to members

Letters were sent to the members as per records, for claiming unclaimed/unpaid dividend/dematerialization of shares/updating PAN and Bank Account details, followed by reminders.

f) Designated E-mail ID

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

g) NSE Electronic Application Processing System (NEAPS)

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.

h) BSE Listing Centre (Listing Centre)

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.

i) SEBI Complaints Redress System (SCORES)

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

V. General Shareholder Information

1. **Registered Office:** 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057. Tel. No.: +91-20-66525000, Fax No.: +91-20-66525001, Website: www.birlasoft.com.
2. **Date of Incorporation:** December 28, 1990
3. **Registration No./CIN:** L72200PN1990PLC059594
4. **Details of Annual General Meeting (“AGM”):**
 - i. **Day & Date –** Wednesday, July 28, 2021
 - ii. **Time –** 04:00 p.m.
 - 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 16, 2021
6. **Cut-off Date for:**
 - i. **Remote e-voting –** Wednesday, July 21, 2021
 - ii. **Attending AGM through VC/OAVM –** Wednesday, July 21, 2021
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: November 5, 2020

Record Date: November 13, 2020

Payment Date: November 27, 2020
9. **Financial year:** April 1, 2020 - March 31, 2021
10. **Financial Calendar for 2021-22:**

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 2021-22 to both the Stock Exchanges on which the shares of the Company are listed.

12. 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: Mr. Sandip Pawar, Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411001, Phone: +91-20-26161629, E-mail: pune@linkintime.co.in. You can also contact Ms. Sneha Padve – Company Secretary and Compliance Officer, No.: +91-20-66525010, Fax No.: +91-20-66525001, E-mail: sneha.padve@birlasoft.com, in case you need any further assistance. For any kind of grievance and for their speedy redressal, the shareholders may send their grievances to grievances@birlasoft.com.

13. Share transfer system:

The share transfer activities are carried out by our Registrar & Transfer Agent, the details of which are given above. The documents are received at their offices in Mumbai/Pune. The share transfers are carried out within a period of fifteen days from the date of receipt of request for transfer, provided, all the documents received are in order.

14. Dematerialization of shares and liquidity:

As on March 31, 2021, 99.70% of the total issued share capital was held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited.

15. Suspension of Trading:

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

16. Shares allotted during the financial year ended March 31, 2021:

Pursuant to the “Special Purpose Birlasoft Employee Stock Option Scheme – 2019” (“the Scheme”), 577,517 equity shares of ₹ 2/- each were allotted during the year. The details of the same are mentioned below:

Table 15 – Details of allotment

Date	Description of Allotment	No. of Shares	Face Value (₹)
May 20, 2020	Allotment to Employees against ESOP	348,945	2/-
June 26, 2020	Allotment to Employees against ESOP	5,798	2/-
August 5, 2020	Allotment to Employees against ESOP	48,355	2/-
November 5, 2020	Allotment to Employees against ESOP	3,832	2/-
January 12, 2021	Allotment to Employees against ESOP	98,094	2/-
February 6, 2021	Allotment to Employees against ESOP	72,493	2/-
Total		577,517	

17. Shareholding Pattern as on March 31, 2021:

Category	No. of shares held	% of total share capital
Promoters*	112,905,785	40.72
Public	163,495,759	58.96
Mutual Funds	42,655,365	15.38
Foreign Portfolio Investors (Corporate)	48,240,300	17.40
Bodies Corporate	8,335,686	3.01
Non-Resident Indian	2,696,791	0.97
Others	61,567,617	22.20
Non-Promoter – Non-Public	884,550	0.32
Total	277,286,094	100.00

* During the year, in pursuance of the Composite Scheme of Arrangement sanctioned by the National Company Law Tribunal vide order dated November 29, 2018, the Company had received requests from certain shareholders for re-classification of their shareholding from “Promoter and Promoter Group” category to “Public” category, which have been duly reported to and approved by the Members of the Company as well as the Stock Exchanges. The relevant details thereof are available on the website of the Company and the Stock Exchanges.

18. As on March 31, 2021, the top ten shareholders of the Company were as under:

Sr. No.	Name of the Shareholder	No. of Shares held*	% of total paid-up share capital	Category
1	National Engineering Industries Limited	107,736,274	38.85	Promoter
2	Ashish Dhawan	10,000,000	3.61	Public
3	L and T Mutual Fund Trustee Ltd. - L and T Mid-Cap Fund	8,911,607	3.21	Mutual Fund
4	ICICI Prudential Long Term Equity Fund Tax Savings	7,863,766	2.84	Mutual Fund
5	IDFC Sterling Value Fund	7,797,760	2.81	Mutual Fund
6	Ellipsis Partners LLC	7,128,230	2.57	Foreign Portfolio Investor (Corporate)
7	ITPL - Invesco India Contra Fund	5,668,968	2.04	Bodies Corporate
8	Central India Industries Limited	5,169,511	1.86	Promoter
9	Bengal Finance And Investment Private Limited	5,000,000	1.80	Bodies Corporate
9	Ashish Kacholia	5,000,000	1.80	Public
10	Abu Dhabi Investment Authority – Stable	3,835,165	1.38	Foreign Portfolio Investor (Corporate)
Total		174,111,281	62.77	

* Shareholding is consolidated based on Permanent Account Number ("PAN") of the shareholder.

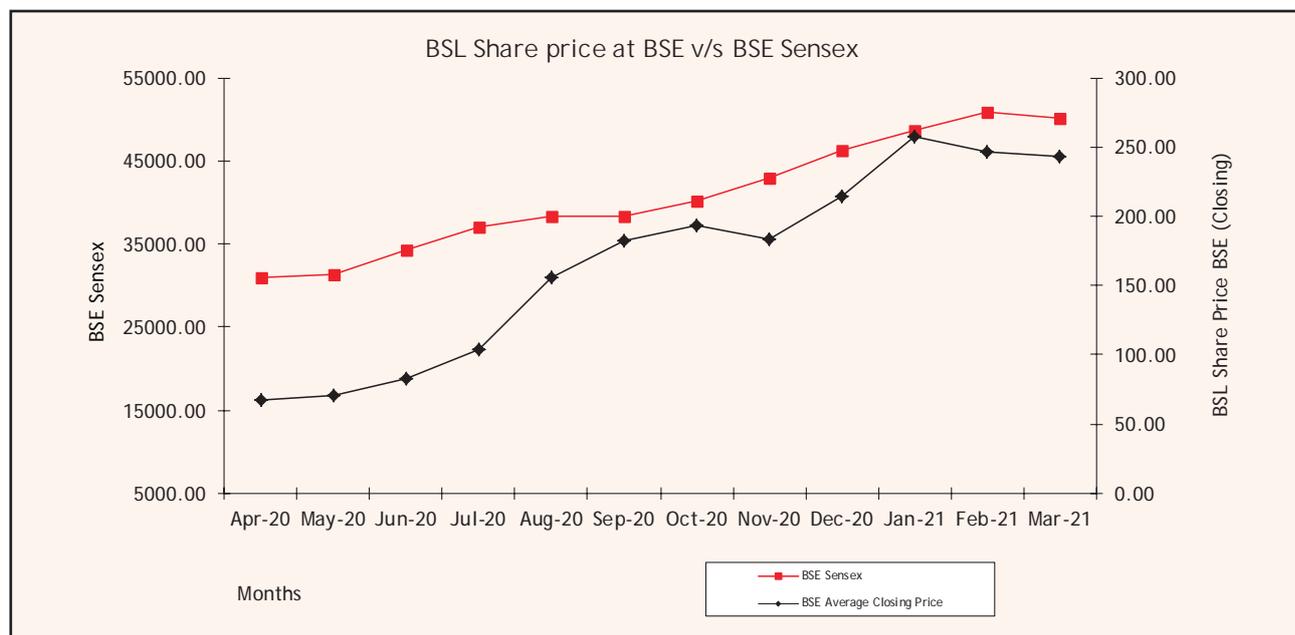
19. Distribution Schedule as on March 31, 2021:

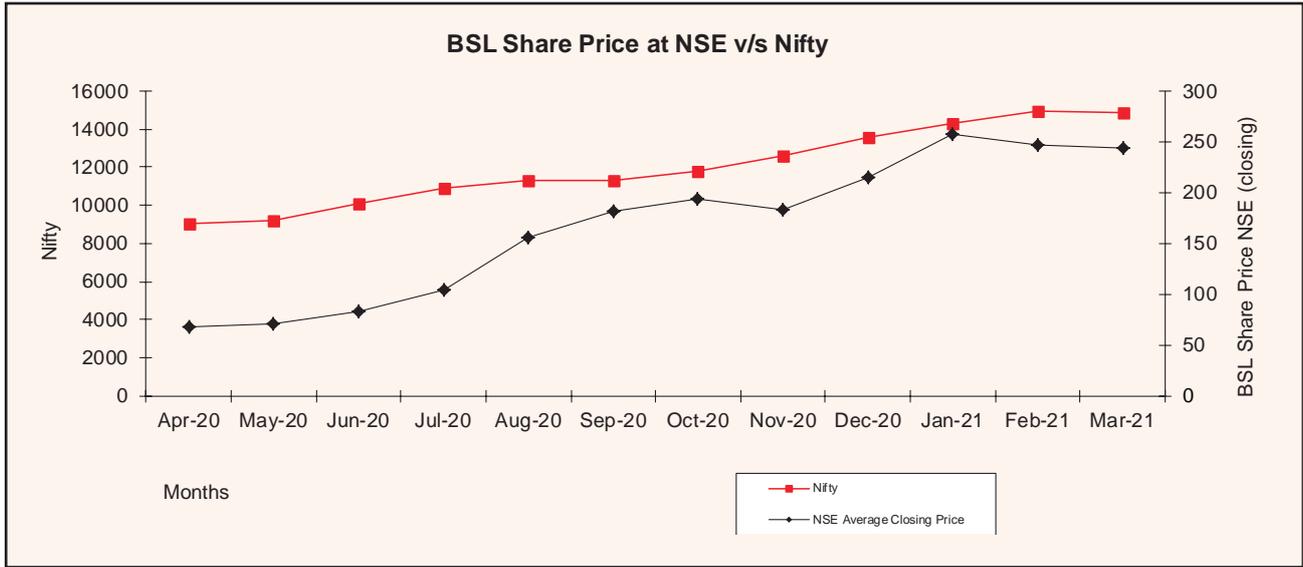
Quantity of Shares From – To	Shareholders		Total No. of shares	%
	Number	%		
1 – 5,000	106,137	98.99	21,319,917	7.69
5,001 - 10,000	486	0.45	3,549,898	1.28
10,001 - 20,000	235	0.22	3,348,414	1.21
20,001 - 30,000	83	0.08	2,056,329	0.74
30,001 - 40,000	40	0.04	1,399,835	0.50
40,001 - 50,000	35	0.03	1,602,603	0.58
50,001 - 100,000	72	0.07	5,136,492	1.85
100,001 & above	133	0.12	238,872,606	86.15
Total	107,221	100.00	277,286,094	100.00

20. 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
	High	Low	Average	Volume	High	Low	Average	Volume	NSE + BSE
Apr'20	78.00	58.05	67.13	10,954,258	77.85	58.25	67.07	691,141	11,645,399
May'20	80.50	62.55	70.98	24,217,902	80.45	62.60	70.94	1,128,992	25,346,894
Jun'20	96.70	74.25	83.02	32,908,001	96.70	74.60	83.00	2,295,658	35,203,659
Jul'20	122.20	87.30	103.62	61,718,286	122.10	87.25	103.65	4,388,377	66,106,663
Aug'20	187.70	117.75	155.77	103,747,120	187.60	116.00	155.71	6,641,100	110,388,220
Sep'20	206.50	156.85	181.93	55,052,720	206.40	154.80	181.84	3,835,981	58,888,701
Oct'20	210.40	172.20	193.18	28,351,074	210.55	172.70	193.20	2,141,024	30,492,098
Nov'20	200.00	173.15	183.83	16,285,852	201.00	173.25	183.83	1,819,024	18,104,876
Dec'20	276.00	185.00	214.74	58,707,545	275.95	185.10	214.69	7,841,796	66,549,341
Jan'21	282.00	236.00	257.41	22,164,980	281.90	236.65	257.29	2,173,535	24,338,515
Feb'21	285.00	225.30	246.54	22,296,491	284.00	225.35	246.52	1,858,446	24,154,937
Mar'21	261.85	223.00	243.35	27,692,888	261.60	223.50	243.28	2,670,785	30,363,673

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





22. Details of dividend in the Unpaid/Unclaimed Dividend Accounts as on March 31, 2021:

(Amount in ₹ million)

Year	Balance	Date of completion of 7 years*	Due date for transfer of shares and amount to IEPF
For the financial year 2013-14 [#]	1.44	August 28, 2021	September 27, 2021
For the financial year 2014-15	1.77	September 22, 2022	October 22, 2022
For the financial year 2015-16 (Interim)	0.68	May 4, 2023	June 3, 2023
For the financial year 2015-16	0.62	September 27, 2023	October 27, 2023
For the financial year 2016-17	1.19	September 26, 2024	October 26, 2024
For the financial year 2017-18	0.74	October 2, 2025	November 1, 2025
For the financial year 2018-19	0.66	September 10, 2026	October 9, 2026
For the financial year 2019-20 (Interim)	0.40	March 4, 2027	April 2, 2027
For the financial year 2019-20	0.38	September 28, 2027	October 27, 2027
For the financial year 2020-21 (Interim)	0.38	December 8, 2027	January 6, 2028

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

[#] For the financial year 2013-14, the tentative corresponding number of shares liable to be transferred to the IEPF Authority are 10,065 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) Amendment 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, inviting such shareholders to claim their dividend.

Accordingly, during the year, the Company transferred an amount of ₹ 503,821/- being the unclaimed dividend pertaining to the financial year 2012-13 to the IEPF. Further, 7,118 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.

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 2020-21, the Company has managed the foreign exchange risk and hedged to the extent considered necessary.

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

The details of foreign currency exposure are disclosed in Note 27 of the notes forming part of the financial statements.

25. Unclaimed 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 shares returned undelivered at the beginning of the year i.e. April 1, 2020	15	25,000
(ii)	Number of shareholders from (i) above, who approached the Company for transfer of shares during the year from April 1, 2020 to March 31, 2021	6	11,000
(iii)	Number of shareholders from (ii) above, to whom shares were transferred (partially) during the year from April 1, 2020 to March 31, 2021	3	6,800
(iv)	Aggregate number of shareholders and the shares from (i) above, which were transferred to the IEPF Authority during the year from April 1, 2020 to March 31, 2021	3	4,200
(v)	Balance aggregate number of shareholders and the outstanding shares from (i) above, at the end of the year i.e. March 31, 2021 (voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares)	13	14,000
(vi)	Number of shares transferred to the IEPF Authority during the year from April 1, 2020 to March 31, 2021 (including shares & shareholders in (iv) above)*	31	7,118

*The shares of 1 shareholder (not included above), holding 4 shares were also liable to be transferred to the IEPF Authority. However, his account was either inactive or frozen or his shares might have been pledged, and hence, they could not be transferred to the IEPF Authority.

26. Board Members' profile:

A brief profile of the Board Members is given below:

Mrs. Amita Birla is the Chairman of Birlasoft Limited and the Co-Chairman of the CK Birla Group. As the Chairman, she leads long term strategy development and implementation in Birlasoft, and with her extensive experience she has successfully been leading companies across other industries. Her personal drive and leadership led to the transformation of Birlasoft from a fledgling startup to the global company that it is today, acknowledged as a differentiated Enterprise Digital IT Solution provider.

Mr. Chandrakant Birla is the Chairman of the CK Birla Group. The Group operates in three industry clusters: technology and automotive, home and building, and healthcare and education. He is a keen philanthropist who is committed to social development in India, the advancement of Science and Technology, Art and Culture.

Mr. 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. Mr. Barat 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. Mr. Barat 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.

Mr. Anant Talaulicar holds a B.E. (Mechanical) degree from Mysore University, M.S. (Mechanical) degree from the University of Michigan in Ann Arbor and a MBA from Tulane University, USA. Mr. Anant Talaulicar was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins

Group in India from March 2004 through October 2017 and the President of the Cummins Inc. Components Group from 2010 through 2014. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well. He worked as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager before taking various general management positions. From 2004 through 2017, Mr. Talaulicar has also led the Cummins India Foundation which has implemented sustainable community initiatives such as model villages and higher education. He has served as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association in the past. Currently, Mr. Talaulicar is on the board of 7 Indian companies, trustee on 3 foundations and teaches part time at the S P Jain Institute of Management & Research.

Ms. Alka Bharucha holds B.A. (Hons.), L.L.B. (University of Bombay), L.L.M. (University of London), Solicitor, High Court (Mumbai) and Supreme Court of England and Wales. She is a Member of the Bar Council of Maharashtra and Goa and the Bombay Incorporated Law Society. She is also an Advocate on Record, Supreme Court of India. Ms. Bharucha began her career with Mulla & Mulla & Craigie Blunt & Caroe and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners which since inception has been ranked by RSG Consulting, London among the top law firms in India. For years, she has been ranked by Chambers Global, Legal 500 and Who's Who Legal, etc. amongst India's leading lawyers. Ms. Bharucha chairs the transactions practice at Bharucha & Partners. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Her general corporate work includes the establishment of mutual funds and providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries. She has particular experience acting for financial services clients as well as those in the telecommunications, power and logistics sector and is also actively engaged in representing trans-national corporations for investments in retail, defense and manufacturing space.

Ms. Nandita Gurjar is a Technologist turned HR professional. Ms. Gurjar'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 (then called Progeon) to head the HR function. In 2007, she took over as the Global Head HR for Infosys Group, managing over 150,000 employees. In this role she led the Infosys People strategy and Employer branding across its global footprint. She was appointed as a member of Executive Council in 2011 and moved to the US Headquarters to manage the globalization initiatives of the organization. In 2013, she moved to head the Education & Research wing of Infosys which skilled the workforce on latest technologies and over saw over 1 million days of training. In April 2014, Ms. Gurjar got selected for Advanced Management Program (AMP) at Harvard Business School.

Ms. Gurjar was the member of 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, Ms. Gurjar is an Advisor to Startups and is an Independent Director in both listed and unlisted companies. She is an Advisor to the Leadership Institute of SBI, India's largest bank and consults with organisations on HR strategies and execution.

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

DK joined Birlasoft in 2014 as its Chief Operating Officer ("COO") and in his role as the COO, DK managed the global delivery, business development and other enabling functions of the Company. As its COO, DK led the divesture of Birlasoft's legacy business paving the way for a newer go-to-market and client engagement model for the Company. DK was elevated as the CEO & MD of the Company in 2019 and he has shaped the Company's strategy pivoted on the Enterprise to the Power of Digital™ framework, focusing on next-generation digital services offerings. He has also led the successful integration of the erstwhile Birlasoft and KPIT IT services businesses.

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

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

VI. Other Disclosures

A. 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 at <https://www.birlasoft.com/company/investors/policies-reports-filings>. 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, 2021. Details of all material transactions with related parties have been disclosed quarterly to the Stock Exchanges along with the compliance report on corporate governance.

B. Details of non-compliance

During the last 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.

C. Establishment of Whistle Blower Policy

The Company has adopted the Whistle Blower Policy which is duly benchmarked with industry practice and ensures compliance to Code of Conduct and Ethics. It encourages all stakeholders i.e. Directors, employees, contractors, third-party service providers, agents, vendors, clients etc. to express and report their concerns to the Ombudsman or custodian of the Whistle Blower Committee, in a fearless manner about unethical behavior, fraud, violation of the code of conduct or ethics etc. There are adequate safeguards built in the whistle blower mechanism to protect the Whistle Blower from discrimination 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:

1. to allow the Directors and employees/contractors/third-party service providers and other stakeholders to raise concerns about unacceptable improper practices and/or any unethical practices and/or other genuine concerns being followed in the organization and to create awareness amongst employees to report instances of leak of unpublished price sensitive information;
2. to check that whenever any unacceptable/improper practice and/or any unethical practice and/or any instances of leak of unpublished price sensitive information and/or any other genuine concern is reported by a Director or an employee, proper action is taken for such reporting;

3. receipt, retention and treatment of complaints received by the Company regarding improper activities, financial or otherwise, in the Company; and
4. submission by Whistle Blower on a confidential and/or anonymous basis, of concerns regarding improper activities.

The Policy also aims to protect any Whistle Blower 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.

D. 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. 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.

E. Dividend Distribution Policy

Pursuant to the SEBI (LODR) Regulations, 2015, the Company has formulated a Dividend Distribution Policy to state the guiding principles of dividend declaration by the Company and the same has been uploaded on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

F. Policy for determination of Materiality of Event or Information

The Company has in place this policy for determination of Materiality of Event or Information which are required to be disclosed to the Stock Exchanges.

G. 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.

H. 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.

I. Role of Company Secretary

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

J. Paid-up Capital

During the year, the total shareholding of the Company changed due to ESOP allotment. The total shareholding as on March 31, 2021 was 277,286,094 shares.

K. Compliance with Mandatory Requirements

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

L. Compliance against Discretionary Requirements of the SEBI (LODR) Regulations, 2015

1. The Chairman of the Company is a Non-Executive Director and does not maintain the Chairman's office at the Company's expenses. Further, she is allowed reimbursement of expenses incurred in performance of her duties.
2. The Company prepares quarterly investor updates which covers operational details apart from financial details which are uploaded on the website of the Company and the Stock Exchanges. Copies of the same are being provided on request.
3. There were no qualifications by the Statutory Auditor on the financial statements of the Company.
4. The Internal Auditor presents the internal audit report to the Audit Committee.

M. Subsidiary Companies

As per the criteria given in Regulation 16 of the SEBI (LODR) Regulations, 2015, for the financial year 2021-22, the Company has 2 material subsidiaries, namely, Birlasoft Solutions Inc. and Birlasoft Inc.

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, the investments made by the subsidiaries;
- Major dealings of subsidiaries' investment, fixed assets, loans, etc.;
- Statement of all significant transactions and arrangements;

- Compliances by subsidiaries with all applicable laws of that country.

The Company has formulated a policy for determining 'material subsidiaries' and the said policy has been uploaded on the Company's website <https://www.birlasoft.com/company/investors/policies-reports-filings>.

N. Prevention of Sexual Harassment at Workplace

There were 2 complaints received during the year. The mechanism for prevention of Sexual Harassment at Workplace is given elsewhere in this Annual Report.

O. Disclosures of the compliance with corporate governance requirements

The Company has complied with the requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

P. 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	3.95
Out of pocket expenses reimbursed	0.28
Total	16.73

Q. Management Discussion & Analysis

A detailed Management Discussion and Analysis is given as a separate section in this Annual Report. 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.

R. 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.

S. Legal Compliance Reporting

The Company has installed an automated compliance tool which provides Statutory Compliance Report from various functions on PAN India basis for compliance with laws applicable to the respective function. A consolidated report on compliance with applicable laws is presented to the Board every quarter. The Company is constantly striving to strengthen the reporting system to take care of the continuously evolving compliance scenario.

T. Reconciliation of Share Capital

As stipulated by the Securities and Exchange Board of India ("SEBI"), a Practising Company Secretary carries out the audit of Reconciliation of Share Capital and provides a report to reconcile the total admitted capital with the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("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.

U. 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.

V. Certificate by a Practising Company Secretary

As required by Clause 10(i) mentioned in Part C of Schedule V of the SEBI (LODR) Regulations, 2015, a certificate has been received from Reshma Sarda-

Vayase & Associates, Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this Report.

W. Disclosure regarding appointment or re-appointment of Directors

According to the provisions of the Act, at least two-third of the Non-Independent Directors are liable to retire by rotation. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and, if eligible and willing, may be re-appointed by the members. In view of these provisions, Mrs. Amita Birla being liable to retire, seeks re-appointment in the ensuing Annual General Meeting of the Company.

Mr. Anant Talaulicar and Ms. Alka Bharucha have been appointed as Independent Directors of the Company with effect from October 21, 2017 and May 23, 2018, respectively.

In the Annual General Meeting held on August 7, 2019, the appointment of Mrs. Amita Birla and Mr. Chandrakant Birla as Non-Executive Directors, and Mr. Ashok Kumar Barat, Ms. Nandita Gurjar & Mr. Prasad Thrikutam as Independent Directors was approved by the members.

Further during the year, Mr. Prasad Thrikutam, resigned due to personal reasons, with effect from June 11, 2020.

Mr. Dharmander Kapoor was appointed as the Chief Executive Officer & Managing Director with effect from June 1, 2019.

X. Compliance

As required by Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, the Certificate on Corporate Governance issued by the Statutory Auditor is annexed to this Report.

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

Y. Annual Corporate Sustainability Report

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

Z. Business Responsibility Report

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

AA. 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 ("ICSI").

Declaration of the Chief Executive Officer & Managing Director

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

Further, I hereby certify that the members of the Board of Directors and senior management personnel have affirmed the compliance with the Code of Conduct applicable to them during the year ended March 31, 2021.

Faridabad
May 17, 2021

Dharmander Kapoor
CEO & Managing Director

Independent Auditors' certificate on Corporate Governance

To the Members of Birlasoft Limited

This certificate is issued in accordance with the terms of our engagement letter dated 24th October 2019 and addendum to the engagement letter dated 18th May 2021.

This report contains details of compliance of conditions of Corporate Governance by Birlasoft Limited ("the Company") for the year ended 31 March 2021, 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 ("Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility

The preparation of the Report on Corporate Governance is the responsibility of the Management of the Company.

Further, the compliance of conditions of Corporate Governance by the Company, as stipulated in the aforementioned Listing Regulations, is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant for ensuring such compliance.

Management is also responsible for providing all relevant information to the Securities and Exchange Board of India.

Auditor's Responsibility

Pursuant to the requirements of the aforementioned Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing Regulations.

We have examined the compliance of the conditions of Corporate Governance by the Company for the year ended 31 March 2021 as stipulated in the aforementioned Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance and the Guidance Note on Reports or Certificates for Special Purposes, both issued by the Institute of Chartered Accountants of India and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. 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

Based on our examination as above, in our opinion and to the best of our information and according to the explanations and representations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it 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 Registration No.101248W/W-100022

Swapnil Dakshindas
Partner

Date: 21 May 2021
Place: Pune

Membership Number: 113896
UDIN: 21113896AAAADB6545

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

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

A. We have reviewed the Financial Statements (standalone and consolidated) and the Cash Flow Statements (standalone and consolidated) for the year April 1, 2020 to March 31, 2021 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, 2020 to March 31, 2021, 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, 2020 to March 31, 2021;
- (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.

Dharmander Kapoor
CEO & Managing Director

Faridabad
May 17, 2021

Chandrasekar Thyagarajan
Chief Financial Officer

Bengaluru
May 13, 2021

Certificate of Non-Disqualification of Directors

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Birlasoft Limited (L72200PN1990PLC059594) (the “Company”)** having registered office at 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, Sub clause 10(i) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (“DIN”) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers; **I hereby confirm & certify that**, the Directors of the Company for the **Financial Year ending on March 31, 2021** as named below, have not been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Designation	Date of appointment	Date of cessation
1	Mrs. Amita Birla	00837718	Director	January 15, 2019	-
2	Mr. Chandrakant Birla	00118473	Director	January 15, 2019	-
3	Mr. Ashok Kumar Barat	00492930	Director	January 15, 2019	-
4	Mr. Anant Talaulicar	00031051	Director	August 23, 2003	-
5	Ms. Alka Bharucha	00114067	Director	May 23, 2018	-
6	Ms. Nandita Gurjar	01318683	Director	January 15, 2019	-
7	Mr. Prasad Thrikutam	06814004	Director	January 15, 2019	June 11, 2020
8	Mr. Dharmander Kapoor	08443715	Managing Director	June 1, 2019	-

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Reshma Sarda-Vayase & Associates.
Company Secretaries,

May 18, 2021
Pune (MH India)

CS Reshma Sarda-Vayase
FCS-5754 CP-4388
UDIN: F005754C000340693

birlasoft

Birlasoft Limited

CIN: L72200PN1990PLC059594

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune – 411057, India.

Tel.: +91-20-6652 5000, Fax: +91-20-6652 5001, Email: contactus@birlasoft.com, Website: www.birlasoft.com**Subject: Green Initiative in Corporate Governance - Members' consent to receive communication in electronic form**

Dear Member,

Your Company is a firm believer in and has always been fostering green and inclusive growth. Co-innovation for green growth is now a quintessential part of your Company's values. Your Company has been taking major initiatives all along in green growth. The Company publishes its Annual Corporate Sustainability Report and is also taking the "Green Initiative in Corporate Governance" in accordance with the agenda promoted by the Ministry of Corporate Affairs ("the MCA").

Pursuant to the provisions of the Companies Act, 2013 and the relevant rules notified thereunder by the MCA, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail IDs either with the Registrar and Transfer Agent or with their respective Depository Participants. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow the members to contribute towards a greener environment. This is a golden opportunity for every member of the Company to contribute to the cause of "Green Initiative".

In view of the above, we propose to send you the member communications and documents like Annual Reports, Notices, etc. through electronic mode, in future. In order to facilitate electronic communication with you, we request you to register your e-mail IDs with your respective Depository Participants (for shares held in demat form) or with our Registrar and Transfer Agent - Link Intime India Private Limited at: pune@linkintime.co.in (for shares held in physical form). Alternatively, you may register your e-mail ID with the Company by writing an email to contactus@birlasoft.com with the subject line – "Green Initiative".

If you have already registered your e-mail ID, you are not required to re-register the same unless there is a change in your e-mail ID.

We believe that by subscribing to this green initiative, you will receive all the communications addressed to the members on time and you would also be contributing towards the protection of your environment.

We request your support for the "Green Initiative".

Thanking you.

For **Birlasoft Limited**

Sd/-

Sneha Padve

Company Secretary

Membership Number: A9678

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:
L72200PN1990PLC059594

2. Name of the Company:
Birlasoft Limited

3. Registered address:
35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC,
Hinjawadi, Pune – 411057.

4. Website: www.birlasoft.com

5. E-mail ID: contactus@birlasoft.com

6. Financial year reported: April 1, 2020 – March 31, 2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise):
Computer programming, consultancy and related activity – Code 62011

8. List of three key products/services that the Company manufactures/provides (as in balance sheet):

- Digital Technologies;
- Enterprise Resource Planning (ERP) Solutions; and
- Customer Relationship Management and Customer Experience Solutions.

9. Total number of locations where business activity is undertaken by the Company:

a) Number of international locations:

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

b) Number of National Locations:

- Pune, Maharashtra;
- Noida, Uttar Pradesh;
- Mumbai, Maharashtra;
- Navi Mumbai, Maharashtra;
- Chennai, Tamil Nadu;
- Bengaluru, Karnataka; and
- Hyderabad, Telangana.

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

The Company serves the Indian as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital (₹): 554.57 million

2. Total Turnover (₹): 16,405.31 million

3. Total profit after taxes (₹): 1,935.59 million

4. Total spending on Corporate Social Responsibility (“CSR”):

The Company was required to spend ₹ 43 million towards Corporate Social Responsibility. During the year, the Company has spent and paid ₹ 53 million (Previous year ₹ 42 million) towards Corporate Social Responsibility through external agencies, in various activities as specified in Schedule VII of the Companies Act, 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset.

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

- Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (“PM CARES Fund”) - Disaster Management;
- Environmental Sustainability - Project Shodhan; and
- Women and Child Development - Project e-vidya, Project Disha and Project BforCe.

SECTION C: OTHER DETAILS

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

Yes, the Company has the following subsidiaries:

Sr. No.	Name of Subsidiary	Nature
1	Birlasoft Solutions Limited	Subsidiary
2	Birlasoft Solutions France	Subsidiary
3	Birlasoft Solutions Inc.	Subsidiary
4	Birlasoft Inc.	Subsidiary
5	Birlasoft Computer Corporation	Subsidiary
6	Birlasoft Sdn. Bhd.	Subsidiary
7	Birlasoft Solutions ME FZE	Subsidiary
8	Birlasoft (UK) Limited	Step-down subsidiary (Subsidiary of Birlasoft Inc.)
9	Birlasoft Solutions GmbH	Step-down subsidiary (Subsidiary of Birlasoft Solutions Limited)
10	Birlasoft GmbH	Step-down subsidiary [Subsidiary of Birlasoft (UK) Limited]
11	Enable Path LLC	Step-down subsidiary (Subsidiary of Birlasoft Inc.)
12	Birlasoft Technologies Canada Corporation	Step-down subsidiary (Subsidiary of Birlasoft Computer Corporation)
13	Birlasoft Solutions Ltda.	Step-down subsidiary (Subsidiary of Birlasoft Solutions Inc.)
14	Birlasoft Consulting Inc.	Step-down subsidiary (Subsidiary of Birlasoft Solutions Inc.)
15	Birlasoft Solutions Mexico S.A. DE C.V.	Step-down subsidiary (Subsidiary of Birlasoft Solutions Inc.)

2. Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

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

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

Yes, it is less than 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

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

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

b) Details of the BR head:

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

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

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify. These policies have been devised in confirmation to respective regulations/national standards that come into effect from time to time (like ISO 9001, ISO 14000, OHSAS 18000, OHSAS 27001:2005, ISO 20000:2011, ISO 22301:2012). These policies are revisited on regular basis and are updated as and when there is any change in the norms.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? These policies are signed by the respective owners.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online.	Code of conduct and Whistler Blower Policy https://www.birlasoft.com/company/investors/policies-reports-filings	Available on our intranet	Available on our intranet	CSR policy https://www.birlasoft.com/company/investors/policies-reports-filings	POSH and Whistler Blower Policy https://www.birlasoft.com/company/investors/policies-reports-filings	Available on our intranet	Available on our intranet	CSR Policy https://www.birlasoft.com/company/investors/policies-reports-filings	Code of conduct https://www.birlasoft.com/company/investors/policies-reports-filings
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

c) Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

Some of the activities such as CSR are assessed half-yearly and others are assessed annually.

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

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

contractors, customers & other third parties dealing with the Company.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year, 1 (one) complaint was registered with the SCORES ("SEBI Complaints Redress System"). The complaint was received during the third quarter of the financial year and related to the deduction of TDS on payment of dividend. This complaint was satisfactorily resolved in the said quarter itself.

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

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

Prevention of Sexual Harassment ("POSH") policy: The policy framework aims at educating employees on any

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

No, it also covers the Subsidiary companies.

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

The policy covers employees of the Company as well as its subsidiaries, contractual service providers,

sort of harassment (including sexual harassment) and report about it appropriately when seen or experienced at the workplace. All the cases are acted upon immediately and corrective actions are taken. E-learning on POSH has been mandated for all employees.

Further, during the year, 2 (two) complaints were reported under the POSH mechanism, which were satisfactorily resolved. There are no pending complaints, as on the end of the financial year.

Principle 2

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

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

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing at the Company represents contribution to the following areas namely: Solar Energy, e-vehicles for commutations of employees, Waste Management, Environment Awareness and Occupational Health & Safety.

Solar Energy:

The Company has initiated many projects towards conservation of energy and water. Recently, one project executed is to generate energy through solar power plant which has been installed on the roof top of cafeteria as well as on the terrace of SDB2 Building at the Company's Registered Office situated in Pune.

Highlights of the project:

- Solar system is installed on power purchase model with a generation capacity of 265kW. Total 737 panels have been installed on terrace and roof top. It will reduce the 335 tonnes of carbon emission p.a.
- Total units generated through this plant will be 400,000 units p.a.
- These units will save up to 13% of overall total consumption.
- This installation will reduce the impact of direct sunlight on the roof top of cafeteria. The floors below will be much cooler, and employees will get more comfort during summers.
- This system is directly connected to the main LT panel feeder, so we will get benefit in reducing the MSEDCL kWh units.
- These units will have a fixed rate for next 15 years resulting in a saving of almost ₹ 18 lakhs p.a. with existing rate of MSEDCL.

Electric Vehicles:

As a step towards contribution to a Greener environment, and in line with Birlasoft's commitment to environmental sustainability, we have introduced electric vehicles into our transportation fleet in partnership with an industry pioneer in this domain. We have been one of the early adopters in using this technology for day to day transport operations and we look forward to contributing to the environment with this move. Electric Vehicles are environment friendly, have

low running costs and pose a reduced risk of breakdowns. Operating electric vehicles will help us to achieve sustainability through reduction in our carbon footprint. To be specific, 10,000 electric KMs per month = 24 MT of CO₂ emissions abated per year, which is equal to growing 360 trees per year. As a pilot run, electric vehicles will be plying in our Bengaluru office. However, as we progress we shall have these vehicles serving our offices across all locations.

Waste Management:

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

E-waste Management:

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

Hazardous Waste:

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

Occupational Health and Safety Assessment Series (“OHSAS”):

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

undertakes initiatives to ensure the safety and well-being of its employees at workplace.

The Company engages its employee and third-party vendors in various EOHS initiatives held in the organization. The hazard identification and risk assessment is carried out in consultation with relevant stakeholders, employees and third party vendors. The implemented controls are monitored and evaluated regularly to ensure employee safety all the time at workplace.

For details please refer the relevant Annexure of the Board’s Report relating to “Information on conservation of energy, technology absorption and foreign exchange earnings and outgo”, which forms a part of this Annual Report.

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

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

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

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

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

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

- 60% of the water treated through sewage treatment plant and is recycled and used for gardening purpose.

- Waste generated such as paper, plastic, cardboard, steel, other metal, etc. are sent for recycling through authorized vendor.
- Municipal solid waste is sent through authorized vendor. Hazardous and e-waste generated in organization is disposed through government authorized recycler.

Principle 3

1. Please indicate the total number of employees.

11,051.

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

777 (i.e. 7.03%) of employees are hired through contractors and sub-contractors.

3. Please indicate the number of permanent women employees.

2,336 (i.e. 21.14%) are permanent women employees.

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

Less than 1%.

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

No.

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

Not Applicable.

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

During the year, 2 (two) complaints were reported under sexual harassment and none relating to child labour, forced labour and involuntary labour. Further, there are no pending complaints, as on the end of the financial year.

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

As a process, we provide Information Security ("InfoSec."), POSH & fire safety trainings to all the employees. Further, InfoSec. & POSH trainings are mandatory for all the new joiners as a part of Day-1 Induction.

Principle 4

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

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

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

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

Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

We believe in giving back to the society where we live, work and play. Keeping this ideology as the foundation of our 'CSR Policy', **Birlasoft has identified few key themes for improvement and upliftment of the society we serve**, namely:

- Environment sustainability: Maintaining air, water and soil quality, conservation of natural resource and ecological balance.
- Women & child development: Education, health and hygiene, scholastic development of children from socio-economic backward group, empowerment and enablement of women through education, good health and skills development.
- Disaster Management.

Under these thematic areas we have community initiatives for the farmers of Punjab and Haryana (Program Name: Shodhan), education and health for children, undergraduates and graduates (Project Name: Disha) and skill development of women (Project Name: e-vidya).

Principle 5

- 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

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

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

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

Principle 6

- 1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The Policy covers only the activities undertaken at the Company level but does not extend to the Group, Joint Ventures, Suppliers, Contractors, NGOs and others.

- 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

No.

- 3. Does the Company identify and assess potential environmental risks?**

Yes, the Company has identified the potential environmental risks.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No.

- 5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.**

Yes, please refer Questions 1, 2, 3 & 5 of Principle 2 of this Report.

The same is available on <https://www.birlasoft.com/company/investors/policies-reports-filings>.

- 6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The emissions and the waste generated at the Company's Registered Office situated in Pune, is under the permissible limits of the Maharashtra Pollution Control Board ("MPCB"). We have a continuous monitoring and tracking system in place which is reviewed periodically.

The Company's environmental policy is designed as per the requirement of ISO standard 14001:2015.

- 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

No show cause/legal notices were received from the MPCB during the financial year.

Principle 7

- 1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

Yes, as follows:

- a. Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA);
 - b. National Association of Software and Services Companies (NASSCOM);
 - c. Hinjawadi Industries Association (HIA); and
 - d. Society for Cyberabad Security Council (SCSC).
- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).**

The Company has participated in consultations on the following areas:

- a. Governance and administration;
- b. COVID-19 and lockdown management solution; and
- c. Physical and Electronic Security.

Principle 8

- 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, please refer Question 4 of Principle 2 and Question 3 of Principle 4 of this Report.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

All our projects are undertaken by external NGOs and Foundation. We have partnered with CII Foundation, Smile Foundation, Youth for Seva, Seva Sahyog, Under the tree, India Care, FICCI who are expert in their sectors and implement the project as per timelines and framework. They have robust monitoring and evaluation system & specialized in timely documentation. We periodically have review meetings with the

implementation partners to assess the performance and milestones of the projects. All empaneled vendors undergo third party due diligence process prior alliance and reviewed periodically. Some of the activities in the projects are driven by our employees also to encourage engagement, volunteerism and individual social responsibility.

- 3. Have you done any impact assessment of your initiative?**

Every activity/initiative undertaken by the Company is assessed and its impact to the society is published in the Annual Report and the Annual Corporate Sustainability Report.

- 4. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?**

For details please refer the relevant Annexure of the Board's Report relating to Corporate Social Responsibility Activities which forms a part of this Annual Report.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

The framework of our projects is based on a concept "Create, Collaborate, Change and Consistent". Birlasoft believes in the concept of 'Sustainable Development' and seeks to make a positive and sustainable impact to the society through its social programs. Birlasoft further aims to create need based community development model in collaboration with all our stakeholders. We regularly have discussions, trainings, workshops with the targeted beneficiaries to bring in inclusion which supports adoption of change. We make sure our team of volunteers and implementation partner's availability during the implementation. We have mechanism in place to drive the quantifiable outcome and impact of our community initiatives to motivate the community. We have created role models from the year 1 and 2 of our project to propagate the initiative and interventions at broader scale and in some of the projects we have increased the coverage and impact manifold. Also, we work on PPP (Public Private Partnership) model for broader impact.

Principle 9**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The customer complaints are technology specific and were resolved at the time of delivery of the software and before contract closure. There are no customer complaints that are material in nature.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

Since, the Company is in the business of software solutions, this requirement does not strictly apply to the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There are no unfair trade practices, irresponsible advertising and/or anti-competitive behavior case pending against the Company.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

At Birlasoft, we take pride in keeping our customers happy. For understanding our customer's perception of our deliverables & services, we have Voice of Customer (VOC) process which is driven at two levels i.e. Project and Engagement with a defined Frequency of six months. Through this process, we capture customer's verbatim feedback which is analyzed to draw action points that are tracked to closure so that the VOC rating is improved over time. Best Practices from Projects and Engagements receiving High VOC score is shared with Sr. Management and Delivery Leaders. Root cause analysis along with action plan for Low VOC score is also shared with Higher Management and Delivery Leaders to ensure that timely appropriate corrective action is taken.

Customer satisfaction is determined by Project VOC Rating which is from 1 to 5 and WOW (Rating 1 being for dissatisfied and WOW being above 5 rating where Customer is delighted with Delivery which is beyond Expectation). For the Engagement VOC rating is from 1 to 10 (Rating 1-6 is Detractor, 7-8 is Neutral & 9-10 is Promoters).

As per the performance of last cycle, 94% customers have rated us either WOW, Very satisfied or satisfied, with 69% of response rate.

Independent Auditors' 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 2021, 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 ended, and notes to the standalone financial statements, including a summary of the 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Revenue recognition in respect of fixed price contracts

(See note 1.2 and 31 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
The Company engages into fixed-price contracts with customers. In respect of fixed-price contracts other than maintenance and support service contracts, revenue is recognized using percentage of completion computed as per the input method. This is based on the Company's estimate of contract costs and efforts for completion of contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.	Our audit procedures in this area included the following: <ul style="list-style-type: none">Obtaining an understanding of the systems, processes and controls implemented by the Company and evaluating the design and implementation of internal controls for measuring and recording revenue and the associated contract assets and unearned revenue.Testing the design and operating effectiveness of key IT controls over IT environment in which the business systems operate. This includes access controls, program change controls, program development controls and IT operation controls;

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.

<p>Contract estimates are formed by the Company considering the following:</p> <ul style="list-style-type: none"> • Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimates is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. • There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations. • COVID 19 pandemic may impact the total revenue and costs to complete the contracts. In some cases, Company's contract interests are adequately protected. In other cases, there may be possible significant risks though the Company is cautious of them. • These contracts may involve onerous obligations on the Company requiring critical estimates to be made. • Contracts are subject to modification to account for changes in contract specification and requirements. • At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet representing the work completed, costs incurred and accrued. <p>Considering the significant estimate involved in recognition of revenue based on percentage of completion method in respect of fixed price contracts, we have considered this as key audit matter.</p>	<ul style="list-style-type: none"> • For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognized in accordance with Ind AS by: <ul style="list-style-type: none"> ➤ Evaluating the identification of performance obligations. ➤ Agreeing the transaction price to the underlying contracts. ➤ Inspecting the approval of the estimates of cost to complete. ➤ Evaluating the impact of COVID 19 pandemic on the total revenue and the cost to complete the contract. ➤ Challenging the Company's estimate of contract cost through a retrospective comparison of costs incurred with budgeted costs. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. ➤ Assessing the work in progress (contract assets) on the balance sheet date by inspecting the underlying invoices and signed agreements on sample basis to identify possible delays in achieving milestones. Those may require change in estimated costs to complete the remaining performance obligations. ➤ Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred, and invoices raised on customers. Also, checked the related revenue, contract costs, provision for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the requirements of Ind AS 115. ➤ Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. We also performed analytical procedures on contract assets with little or no movement in invoicing from previous periods.
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Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility 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 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 in the standalone financial statements 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 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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditors' 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 37(1) to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 21 to the standalone financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial

statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

- a) 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) 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 : 21 May 2021

Membership No. 113896
UDIN: 21113896AAAACX6607

Annexure A to the Independent Auditors' report on the standalone financial statements of Birlasoft Limited for the year ended 31 March 2021

With reference to the Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021 we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material 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, title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company primarily engaged in providing information technology and related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security or made any investment covered under section 185 or section 186 of the Act during the year.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules made thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Goods and Services Tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services Tax, cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us there are no dues of Income tax, Sales tax, Service tax, Value Added Tax or Goods and Service Tax, which have not been deposited by the Company on account of disputes except for the following:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount demanded ₹ million	Amount paid under protest ₹ Million
Income Tax Act, 1961	Income Tax	Delhi High Court	2003 - 2010	601.96	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2004 - 2015	7.82	-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2007 - 2008 and 2011 - 2012	59.65	-
Income Tax Act, 1961	Income Tax	Assessing Officer of Income Tax	2006 - 2012	112.57	1.04
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2018 - 2019	3.70	-
Finance Act, 1994	Service Tax	Supreme Court	October 2006 - March 2014	469.65	12.99
Finance Act, 1994	Service Tax	Bombay High Court	2007 - 2008	28.60	-
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	April 2014 to March 2015	182.41	13.68
Central Sales Tax Act 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeals)	2012 - 2013	0.21	0.16
Central Sales Tax Act 1956	Sales Tax	Assistant Commissioner of Sales Tax	2008 - 2009	0.40	0.02
Central Sales Tax Act 1956	Sales Tax	Deputy Commissioner of Commercial Tax (Appeals)	2017 - 2018	6.00	-

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Accordingly, reporting under paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone financial statements.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required

to be registered under section 45-IA of the Reserve Bank of India, 1934.

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

Swapnil Dakshindas
Partner

Place: Pune

Date : 21 May 2021

Membership No. 113896

UDIN: 21113896AAAACX6607

Annexure B to the Independent Auditors' report on the standalone financial statements of Birlasoft Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

Opinion

We have audited the internal financial controls with reference to financial statements of Birlasoft Limited ("the Company") as of 31 March 2021 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone

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 standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone 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

standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Swapnil Dakshindas
Partner

Place: Pune
Date : 21 May 2021

Membership No. 113896
UDIN: 21113896AAAACX6607

BALANCE SHEET as at 31 March 2021

(Amount in ₹ million)

	NOTE	31 MARCH 2021	31 MARCH 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2A	1,172.89	1,348.65
Capital work-in-progress		65.42	23.50
Right-of-use assets	2B	1,005.98	1,225.80
Other intangible assets	2C	104.85	160.12
Financial assets			
Investment	3	3,663.34	3,663.34
Loans	4	136.98	134.94
Other financial assets	5	206.39	31.92
Income tax assets (net)		239.51	538.75
Deferred tax assets (net)	6	435.74	747.65
Other non-current assets	7	49.05	49.50
		7,080.15	7,924.17
Current assets			
Financial assets			
Investments	8	553.17	330.02
Trade receivables	9	2,130.43	3,923.15
Cash and cash equivalents	10	1,560.87	1,337.13
Other balances with banks	10	5,769.05	1,805.40
Loans	11	115.51	112.15
Unbilled revenue	31(b)	214.53	363.94
Other financial assets	12	384.54	188.43
Other current assets	13	522.40	740.72
		11,250.50	8,800.94
TOTAL ASSETS		18,330.65	16,725.11
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	554.57	553.42
Other equity	29	13,376.28	11,562.30
		13,930.85	12,115.72
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	15	865.26	1,045.08
Provisions	16	443.31	361.50
		1,308.57	1,406.58
Current liabilities			
Financial liabilities			
Lease liabilities	17	230.54	232.07
Trade payables	18		
Outstanding dues of micro enterprises and small enterprises		18.95	4.34
Outstanding dues of creditors other than micro enterprises and small enterprises		621.59	768.63
Other financial liabilities	19	1,062.73	1,114.56
Other current liabilities	20	672.28	786.94
Provisions	21	116.55	85.70
Income tax liabilities (net)		368.59	210.57
		3,091.23	3,202.81
TOTAL EQUITY AND LIABILITIES		18,330.65	16,725.11
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 Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: May 21, 2021

For and on behalf of the Board of Directors of

BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place: Faridabad

Date: May 21, 2021

Sneha Padve

Company Secretary

Place: Pune

Date: May 21, 2021

Amita Birla

Chairman

DIN: 00837718

Place: London

Date: May 21, 2021

Chandrasekar Thyagarajan

Chief Financial Officer

Place: Bengaluru

Date: May 21, 2021

STATEMENT OF PROFIT AND LOSS for the year ended on 31 March 2021

(Amount in ₹ million)

	NOTE	31 MARCH 2021	31 MARCH 2020
Revenue from operations	22	16,405.31	14,621.64
Other income (net)	23	119.50	349.51
Total income		16,524.81	14,971.15
Expenses			
Employee benefits expense	24	10,549.26	9,434.95
Finance costs	25	102.38	123.46
Depreciation and amortization expense	2A, 2B & 2C	699.43	692.62
Other expenses	26	2,301.50	2,491.44
Total expenses		13,652.57	12,742.47
Profit before tax		2,872.24	2,228.68
Tax expense	39		
Current tax		761.87	729.49
Deferred tax (benefit)/charge		174.78	91.65
Total tax expense		936.65	821.14
Profit for the year		1,935.59	1,407.54
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		1.20	(42.02)
Income tax on items that will not be reclassified to profit or loss		(0.31)	14.68
Items that will be reclassified to profit or loss			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges		464.58	(329.84)
Income tax on items that will be reclassified to profit or loss		(145.70)	114.66
Total other comprehensive income		319.77	(242.52)
Total comprehensive income for the year		2,255.36	1,165.02
Earnings per equity share for continuing operations (face value per share ₹ 2 each)			
Basic	36	6.96	5.09
Diluted	36	6.81	5.05
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 Number :101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 21, 2021

For and on behalf of the Board of Directors of BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

Dharmander Kapoor
CEO & Managing Director
DIN: 08443715
Place: Faridabad
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Amita Birla
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Date: May 21, 2021

Sneha Padve
Company Secretary
Place: Pune
Date: May 21, 2021

Chandrasekar Thyagarajan
Chief Financial Officer
Place: Bengaluru
Date: May 21, 2021

Statement of cash flows for the year ended on 31 March 2021

(Amount in ₹ million)

PARTICULARS	31 March 2021	31 March 2020
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	1,935.59	1,407.54
Adjustments for		
Income tax expense	936.65	821.14
(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	0.50	0.31
Depreciation / Amortization	698.58	692.62
Interest expense	102.38	123.46
Interest income	(222.99)	(96.94)
Dividend income	(2.78)	-
Gain on sale/redemption of mutual funds	(3.79)	(80.54)
Fair value loss on financial assets (investments) at fair value through profit or loss	(3.19)	16.96
Unrealised foreign exchange loss/(gain)	83.85	(160.55)
Provision for doubtful debts and advances (net)	56.01	(31.43)
Bad debts written off	76.59	147.15
Share based compensation expenses	93.07	76.86
Operating Profit before working capital changes	3,750.47	2,916.58
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	1,728.48	(54.44)
Loans, other financial assets and other assets	281.25	1,513.15
Trade Payables	(135.23)	(406.00)
Other financial liabilities, other liabilities and provisions	229.71	(830.99)
Cash generated from operations	5,854.68	3,138.30
Taxes Paid	(313.49)	(486.51)
Net cash generated from operating activities (A)	5,541.19	2,651.78
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work in progress and capital advances)	(235.05)	(523.05)
Proceeds from sale of property, plant and equipment	1.28	3.41
Sale of investments carried at fair value through profit and loss (net)	(216.17)	1,642.53
Interest received	150.99	46.16
Dividend received	2.78	-
Fixed Deposit with banks having original maturity over three months (net)	(4,138.90)	(1,612.71)
Net Cash (used in) / generated from investing activities (B)	(4,435.07)	(443.66)

Statement of cash flows for the year ended on 31 March 2021

(Amount in ₹ million)

PARTICULARS	31 March 2021	31 March 2020
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and application money	1.61	7.94
Repayment of Working Capital loan (Net)	-	(381.12)
Repayment of lease liabilities	(328.44)	(313.56)
Dividend paid including corporate dividend tax	(553.93)	(995.33)
Interest and finance charges	(1.62)	(4.65)
Net cash used in financing activities (C)	(882.38)	(1,686.72)
D] Exchange differences on translation of foreign currency cash and cash equivalents		(4.29)
Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	223.74	517.12
Cash and cash equivalents at close of the year (refer note 1 below)	1,560.87	1,337.13
Cash and cash equivalents at beginning of the year (refer note 1 below)	1,337.13	820.01
Cash surplus / (deficit) for the year	223.74	517.12
Note 1:		
Cash and cash equivalents include:		
Cash on hand	-	0.01
Cheques in Hand	2.21	-
Balance with banks		
- In current accounts	508.66	1,310.99
- In deposit account (with original maturity of 3 months or less)	1,050.00	26.13
Total Cash and cash equivalents	1,560.87	1,337.13
Note 2:		
Figures in brackets represent outflows of cash and cash equivalents.		
Note 3:		
The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind-AS) 7 on Statement of cash flows.		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 21, 2021

**For and on behalf of the Board of Directors of
BIRLASOFT LIMITED**
CIN: L72200PN1990PLC059594

Dharmander Kapoor
CEO & Managing Director
DIN: 08443715
Place: Faridabad
Date: May 21, 2021

Sneha Padve
Company Secretary
Place: Pune
Date: May 21, 2021

Amita Birla
Chairman
DIN: 00837718
Place: London
Date: May 21, 2021

Chandrasekar Thyagarajan
Chief Financial Officer
Place: Bengaluru
Date: May 21, 2021

Statement of changes in equity for the year ended on 31 March 2021

A Equity share capital

	(Amount in ₹ million)
	Amount
Balance as at 1 April 2019	548.29
Changes in equity share capital during 2019-20	5.13
Balance as at 31 March 2020	553.42
Changes in equity share capital during 2020-21	1.15
Balance as at 31 March 2021	554.57

B Other equity

	Share application money pending allotment	Reserves & surplus						Items of other comprehensive income	Total
		Capital Reserve	Capital redemption reserve	Securities premium reserve	Share based payment reserve	Amalgamation reserve	Retained earnings		
Balance as on 1 April 2019	-	40.00	3,994.29	360.94	51.40	6,867.35	(43.63)	23.69	11,294.04
Profit for the year	-	-	-	-	-	1,407.54	-	-	1,407.54
Other comprehensive income (net of tax)	-	-	-	-	-	-	(27.34)	(215.18)	(242.52)
Total comprehensive income for the year	-	-	-	-	-	1,407.54	(27.34)	(215.18)	1,165.02
Transactions with owners recognised directly in equity									
Dividends	-	-	-	-	-	(826.14)	-	-	(826.14)
Dividend distribution tax	-	-	-	-	-	(169.82)	-	-	(169.82)
Share based payments to employees	-	-	-	96.38	-	-	-	-	96.38
Transfer to share based payment reserve	-	-	-	-	-	-	-	-	-
Transfer from share based payment reserve	-	-	243.40	(316.42)	-	75.84	-	-	2.82
Balance as on 31 March 2020	-	40.00	4,237.69	140.90	51.40	7,354.77	(70.97)	(191.49)	11,562.30
Balance as on 1 April 2020	-	40.00	4,237.69	140.90	51.40	7,354.77	(70.97)	(191.49)	11,562.30
Profit for the year	-	-	-	-	-	1,935.59	-	-	1,935.59
Other comprehensive income (net of tax)	-	-	-	-	-	-	0.89	318.88	319.77
Total comprehensive income for the year	-	-	-	-	-	1,935.59	0.89	318.88	2,255.36
Transactions with owners recognised directly in equity									
Dividends	-	-	-	-	-	(554.23)	-	-	(554.23)
Share based payments to employees	-	-	-	112.39	-	-	-	-	112.39
Application money received during the year	0.46	-	-	-	-	-	-	-	0.46
Transfer from share based payment reserve	-	-	53.67	(53.67)	-	-	-	-	-
Balance as on 31 March 2021	0.46	40.00	4,291.36	199.62	51.40	8,736.13	(70.08)	127.39	13,376.28

Significant accounting policies

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

2 - 41

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm Registration Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

**For and on behalf of the Board of Directors of
BIRLASOFT LIMITED**

CIN: L72200PN1990PLC059594

Dharamnder Kapoor

CEO & Managing Director

DIN: 08443715

Place: Faridabad

Date: May 21, 2021

Amita Birla

Chairman

DIN: 00837718

Place: London

Date: May 21, 2021

Sneha Padve

Company Secretary

Place: Pune

Date: May 21, 2021

Chandrasekar Thyagarajan

Chief Financial Officer

Place: Bengaluru

Date: May 21, 2021

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

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. Most of the revenue is generated from the export of services.

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 21 May 2021.

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 business combination (other than business combination under common control), 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.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

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 33 and note 40 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, 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.

g. Estimation uncertainties relating to the COVID-19 pandemic:

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue and intangible assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established. Considering the fact that the global situation is evolving day by day with new facts and numbers, the impact of the pandemic on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. 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 less than twelve months.

1.2 Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, integrated portfolio of IT.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- Revenue from third party software is recognized upfront at the point in time when software is delivered to the customer, such revenue is recognized on net basis when the Company is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognizes contract fulfillment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

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 judgment's 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

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

1.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

1.4 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.6 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Buildings ⁽¹⁾	25
Plant and equipment ⁽¹⁾	4
Office Equipment ⁽¹⁾	10
Owned Vehicle ⁽¹⁾	5
Furniture and fixtures ⁽¹⁾	8

⁽¹⁾ For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

Right of use assets are amortised over shorter of useful lives and period of lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

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

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

1.7 Impairment

a. Financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recorded as an impairment gain or loss in Statement of Profit and Loss.

b. Non- financial assets

Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

1.8 Leases

The Company primarily has leased rental offices premises, guest house, parking space, laptops etc across multiple locations.

At the inception of contract the Company assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to :

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Company as a lessee

1. Recognition and measurement

The Company recognises the right of use asset and lease liability at the commencement date of lease. The right of use asset is initially measured at cost, which comprises of present value of future lease rent payouts adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received.

The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. The Company generally uses incremental borrowing rate as discount rate.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the useful life of right-of-use asset.

The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured to reflect any lease modifications or reassessments.

2. Extension and termination of lease

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an 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.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

1.9 Earnings per share

Basic earnings per share are computed by dividing the net profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.10 Foreign currency transactions

a. Functional and presentation currency

Indian Rupee is the Company's functional as well as presentation currency.

- b. Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

c. Translation of foreign operations

For translating the financial statements of foreign branches, their functional currencies are determined. The results and the financial position of the foreign branches are translated into presentation currency so that the foreign operation could be included in the standalone financial statements.

1.11 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

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.

1.12 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates for the purposes of current and deferred tax have been determined on the basis of Company's evaluation of acceptability of its tax positions by the taxation authorities.

Minimum Alternate Tax

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Act, 2019, allowed an option to the domestic companies to switch to a lower tax rate structure of 22% (25.17% including surcharge and cess) from the earlier 30% (34.944% including surcharge and cess) subject to condition that the Company will not avail any of the specified deductions / incentives under the Income Tax Act including credit for Minimum Alternate Tax ('MAT'). The Company has elected to switch to the new lower tax rate structure with effect from the financial year 2020-21. Consequently, the Company will not claim MAT credit for the financial year 2020-21 and all the MAT credit balances have been written off.

1.13 Provisions, Contingent liabilities and Contingent assets

The Company recognizes provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognized for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b. Present obligations that arise from past events but are not recognized because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the 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.

Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, as per the contractual requirements, for certain products/licenses. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

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.

1.14 Research and development:

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognized as an intangible asset in accordance with policy defined in 1.5.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

1.15 Employee stock option

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.16 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

1.17 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

ii) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counter-party to the Company's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

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

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

The amount recognized in Other Comprehensive Income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit or Loss and Other Comprehensive Income.

iii) Treasury Shares

When any entity within the Group (Birlasoft Limited and its subsidiaries) purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

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.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

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:

- a. In the principal market for the asset or liability, or
- b. 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:

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

For assets and liabilities that are recognized in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The team comprises of the head of the treasury operation and chief finance officer.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

1.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.20 Business combinations

- a. Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Impact of any changes in the purchase consideration, after the measurement period, is recorded in the Statement of Profit and Loss.

- b. Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent 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.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

1.21 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of consolidated financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

2A Property, plant and equipment

	Land (Leasehold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles Owned	Office Equipments	Total
Gross carrying amount as at 1 April 2019	63.76	386.04	800.75	1,069.15	128.70	5.62	328.65	2,782.67
Reclassified on account of adoption of IND AS 116	63.76	-	-	-	-	-	-	63.76
Additions	-	-	186.50	136.90	0.12	-	26.55	350.07
Disposal/retirements/derecognition	-	-	2.85	2.70	2.67	-	14.23	22.45
Gross carrying amount as at 31 March 2020	-	386.04	984.40	1,203.35	126.15	5.62	340.97	3,046.53
Accumulated depreciation as at 1 April 2019	9.43	85.02	276.47	779.58	73.86	4.84	172.29	1,401.49
Reclassified on account of adoption of IND AS 116	9.43	-	-	-	-	-	-	9.43
Depreciation	-	20.53	106.33	160.18	11.36	0.20	26.30	324.90
Disposal/retirements/derecognition	-	-	2.14	2.22	1.62	-	13.10	19.08
Accumulated depreciation as at 31 March 2020	-	105.55	380.66	937.54	83.60	5.04	185.49	1,697.88
Gross carrying amount as at 1 April 2020	-	386.04	984.40	1,203.35	126.15	5.62	340.97	3,046.53
Additions	-	2.83	20.13	151.44	0.77	-	11.46	186.63
Disposal/retirements/derecognition	-	-	-	-	0.45	-	7.09	7.54
Gross carrying amount as at 31 March 2021	-	388.87	1,004.53	1,354.79	126.47	5.62	345.34	3,225.62
Accumulated depreciation as at 1 April 2020	-	105.55	380.66	937.54	83.60	5.04	185.48	1,697.87
Depreciation	-	20.55	139.40	163.00	10.47	0.19	27.01	360.62
Disposal/retirements/derecognition	-	-	-	-	0.22	-	5.54	5.76
Accumulated depreciation as at 31 March 2021	-	126.10	520.06	1,100.54	93.85	5.23	206.95	2,052.73
Carrying amount as at 31 March 2020	-	280.49	603.74	265.81	42.55	0.58	155.48	1,348.65
Carrying amount as at 31 March 2021	-	262.77	484.47	254.25	32.62	0.39	138.39	1,172.89

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

2B Right-of-use assets

	Office Premises	Land	Total
Recognized on adoption of IND AS 116 as on 1 April 2019	1,221.44	-	1,221.44
Reclassified on account of adoption of IND AS 116	-	63.76	63.76
Additions	239.32	11.40	250.72
Disposal/retirements/derecognition	34.00	-	34.00
Gross carrying amount as at 31 March 2020	1,426.76	75.16	1,501.92
Accumulated depreciation as at 1 April 2019	-	-	-
Reclassified on account of adoption of IND AS 116	-	9.43	9.43
Depreciation	285.00	2.44	287.44
Disposal/retirements/derecognition	20.75	-	20.75
Accumulated depreciation as at 31 March 2020	264.25	11.87	276.12
Gross carrying amount as at 1 April 2020	1,426.76	75.16	1,501.92
Additions	66.32	-	66.32
Disposal/retirements/derecognition	34.11	-	34.11
Gross carrying amount as at 31 March 2021	1,458.97	75.16	1,534.13
Accumulated depreciation as at 1 April 2020	264.25	11.87	276.12
Depreciation	265.20	2.48	267.68
Disposal/retirements/derecognition	15.65	-	15.65
Accumulated depreciation as at 31 March 2021	513.80	14.35	528.15
Carrying amount as at 31 March 2020	1,162.51	63.29	1,225.80
Carrying amount as at 31 March 2021	945.17	60.81	1,005.98

2C Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2019	158.89	735.61	894.50
Additions	-	73.54	73.54
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2020	158.89	809.15	968.04
Accumulated depreciation as at 1 April 2019	110.15	617.49	727.64
Depreciation	21.37	58.91	80.28
Accumulated depreciation as at 31 March 2020	131.52	676.40	807.92
Gross carrying amount as at 1 April 2020	158.89	809.15	968.04
Additions	-	15.01	15.01
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2021	158.89	824.16	983.05
Accumulated depreciation as at 1 April 2020	131.52	676.40	807.92
Depreciation	18.83	51.45	70.28
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2021	150.35	727.85	878.20
Carrying amount as at 31 March 2020	27.37	132.75	160.12
Carrying amount as at 31 March 2021	8.54	96.31	104.85

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

3 Investment in subsidiaries

Particulars	31 March 2021	31 March 2020
Investments (Unquoted)		
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft Computer Corporation, USA (Erstwhile SYSTIME 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 (Erstwhile KPIT Infosystems ME FZE, Dubai)	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 (Erstwhile KPIT Infosystems Incorporated, 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 (Erstwhile KPIT Technologies France SAS)	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 (Erstwhile KPIT Technologies Solucoes EM Informatica Ltda.)	0.04	0.04
A subsidiary of Birlasoft Solutions Inc (erstwhile KPIT Infosystems Incorporated, USA)		
[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 (Erstwhile KPIT Infosystems Ltd)	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]		
	3,663.34	3,663.34

* Since denominated in ₹ Million

4 Loans

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans and advances to other than related parties		
- Security deposits	136.98	134.94
	136.98	134.94

Note:

(i) Information about the Company's exposure to interest rate risk and credit risk is disclosed in note 27.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

5 Other financial assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Fixed deposits with banks	206.23	30.98
Interest accrued on fixed deposits	0.16	0.94
	206.39	31.92

Note:

(i) Information about the Company's exposure to interest rate risk and liquidity risk is disclosed in note 27.

6 Deferred tax assets

Particulars	31 March 2021	31 March 2020
Deferred tax assets		
- Provision for doubtful debts and advances	62.93	74.38
- Provision for compensated absences	53.25	36.95
- Provision for gratuity	85.44	101.53
- Provision for Indirect tax	0.15	0.17
- Bonus Payable	3.48	4.13
- Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation/amortisation as provided under income-tax law	103.49	87.23
- Forward contracts designated as cash flow hedges	-	102.86
- Right of Use Assets	275.81	-
- Transaction Cost	109.10	184.71
- Lease liabilities	-	345.15
- Others (mainly includes employee related provision)	22.84	-
MAT credit entitlement	-	128.03
	716.49	1,065.14
Deferred tax liabilities		
- Forward contracts designated as fair value through profit and loss	42.84	-
- Right-of-use assets	237.90	316.93
- Others	-	0.56
	280.74	317.49
Net deferred tax asset	435.75	747.65

7 Other non-current assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances	2.24	0.58
Prepaid expenses	3.32	5.02
Contract Fulfillment Cost	18.85	22.04
Balance in Group Gratuity Trust Account	24.64	21.86
	49.05	49.50

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

8 Current investments

Particulars	31 March 2021	31 March 2020
Investments in equity instruments of other entities measured at fair value through Profit or Loss (unquoted)		
Saraswat Co-operative Bank Limited	0.00*	0.00*
1 (Previous year 1) equity share of ₹ 10 each fully paid up		
Investments in Mutual funds measured at fair value through Profit or Loss (quoted)		
307,372 units (Previous year 314,846 units) Aditya Birla Sun Life Liquid Fund - Growth Regular plan	101.22	100.04
Nil Unit (Previous year 44,077 units) - Axis Liquid Fund - Direct Plan Growth	-	96.71
36,381 units (Previous year Nil units) Kotak Liquid Fund Regular Growth	150.65	-
495,072 units (Previous year 342,074 units) ICICI Prudential Liquid Fund - Growth	150.03	100.06
53,904 units (Previous year 12,250 units) L&T Liquid Fund Regular Growth	151.27	33.21
	553.17	330.02

* Since denominated in ₹ Million

Note:

- (i) The details of aggregate value of quoted/unquoted investments and the Company's exposure to liquidity risk and credit risk are disclosed in note 27.

9 Trade receivables

Particulars	31 March 2021	31 March 2020
<i>(Unsecured)</i>		
Trade Receivables considered good	2,130.43	3,923.15
Trade Receivables - credit impaired	202.78	147.65
	2,333.21	4,070.80
Less: Allowances for bad and doubtful trade receivables	202.78	147.65
	2,130.43	3,923.15

Notes:

- (i) Trade receivables from related parties are disclosed in note 28.
- (ii) The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 27.

10 Cash and bank balances

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	-	0.01
Cheques in hand	2.21	-
Balances with banks		
- In current accounts	508.66	1,310.99
- In deposit accounts(with original maturity of 3 months or less)	1,050.00	26.13
	1,560.87	1,337.13
Other bank balances (includes unclaimed dividend of ₹ 8.26 million (Previous year ₹ 7.97 million))	5,769.05	1,805.40
	7,329.92	3,142.53

Note:

- (i) Information about the Company's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 27.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

11 Loans

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans and advances to related parties (Refer note 28)		
- Dues from subsidiaries	88.21	95.09
Loans and advances to other than related parties		
Other loans and advances		
Security deposits		
- Considered good	27.24	17.00
- Credit impaired	2.03	2.03
	29.27	19.03
Less: Provision for doubtful advances	2.03	2.03
	27.24	17.00
- Other receivables	0.06	0.06
	115.51	112.15

Note:

(i) Information about the Company's exposure to credit risk, interest rate risk and foreign currency risk is disclosed in note 27.

12 Other current financial assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Forward contracts		
- designated as cash flow hedge	170.23	-
Interest accrued on fixed deposits	118.28	52.81
Other Receivable	96.03	135.62
	384.54	188.43

Note:

(i) Information about the Company's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 27.

13 Other current assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Contract assets -from fixed price contracts (Refer note 31(b))	7740	233.48
Employee advances		
- Considered good	22.24	53.53
- Credit impaired	18.57	44.53
	40.81	98.06
Less: Provision for doubtful advances	18.57	44.53
	22.24	53.53
Advance to suppliers	16.54	36.06
Prepaid expenses	230.43	144.44
Contract Fulfillment Cost	2.46	4.21
Balances with statutory authorities	173.33	269.00
	522.40	740.72

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

14 Equity share capital

Particulars	31 March 2021	31 March 2020
Authorised:		
870,000,000 (Previous year 870,000,000) equity shares of ₹ 2 each.	1,740.00	1,740.00
	1,740.00	1,740.00
Issued subscribed and fully paid up:		
277,286,094 (Previous year 276,708,577) equity shares of ₹ 2 each fully paid up	554.57	553.42
	554.57	553.42

14.1 The Company declares and pays dividends in Indian rupees. Interim dividend was declared by Board of Directors in their meeting held on November 5, 2020. The interim dividend distributed to the members of the Company is ₹ 277.12 million i.e. ₹ 1.00 per share of face value of ₹ 2 per share.

The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2021 is ₹ 2.50 per share (Previous year ₹ 1.00 per share). The dividend proposed by the Board of Directors in the meeting held on 21 May 2021 is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividends during the year ended 31 March 2021 include ₹ 277.11 million i.e. ₹ 1.00 per share towards final dividend for the year ended 31 March 2020 and ₹ 277.12 million i.e. ₹ 1.00 per share towards interim dividend for the year ended 31 March 2021. Dividends during the year ended 31 March 2020 include ₹ 549.43 i.e. ₹ 2.00 per share towards final dividend for the year ended 31 March 2019 and ₹ 276.71 i.e. ₹ 1.00 per share towards interim dividend for the year ended 31 March 2020.

14.2 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.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	(₹)	Number of shares	(₹)
Equity shares				
At the beginning of the year	276,708,577	553.42	274,143,808	548.29
Add: Shares issued under employee stock options plan	577,517	1.15	2,564,769	5.13
Outstanding at the end of the year	277,286,094	554.57	276,708,577	553.42

14.4 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.

14.5 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 2021	% of shares held	Number of shares as at 31 March 2020	% of shares held
National Engineering Industries Limited	107,736,274	38.85%	100,371,174	36.27%

14.6 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date - NIL (Previous year: Nil)

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

14.7 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

- (i) 76,645,066 equity shares of ₹ 2 each were allotted as fully paid-up pursuant to Composite scheme of arrangement.
- (ii) 5,485,604 (Previous year : 4,908,087) equity shares have been issued under Employee stock option plan.

14.8 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.

15 Lease liabilities -non current

Particulars	31 March 2021	31 March 2020
Lease liabilities (Refer note 35)	865.26	1,045.08
	865.26	1,045.08

Notes:

- (i) Information about the Company's exposure to foreign currency risk, interest rate risk and liquidity risk is disclosed in note 27.

16 Provisions -non current

Particulars	31 March 2021	31 March 2020
Provision for employee benefits		
- Compensated absences	158.48	103.26
- Gratuity (Refer note 33(3))	281.42	254.88
Other provisions		
- Provision for lease restoration costs (Refer Note 37(2))	3.41	3.36
	443.31	361.50

17 Lease liabilities - current

Particulars	31 March 2021	31 March 2020
Lease liabilities (Refer note 35)	230.54	232.07
	230.54	232.07

Notes:

- (i) Information about the Company's exposure to foreign currency risk, interest rate risk and liquidity risk is disclosed in note 27.

18 Trade payables

Particulars	31 March 2021	31 March 2020
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	18.95	4.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	621.59	768.63
	640.54	772.97

Notes:

- (i) Information about the Company's exposure to foreign currency risk and liquidity risk is disclosed in note 27.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

19 Other current financial liabilities

Particulars	31 March 2021	31 March 2020
Other than trade payables :		
Accrued employee costs	889.80	685.01
Unclaimed dividend	8.28	7.98
Payables in respect of fixed assets (Refer note 30)	20.03	9.85
Payable to subsidiaries (Refer note 28)	13.09	3.37
Security deposits	0.53	0.45
Forward contracts designated as cash flow hedges	-	294.35
Other payable	131.00	113.55
	1,062.73	1,114.56

Notes:

(i) Information about the Company's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 27.

20 Other current liabilities

Particulars	31 March 2021	31 March 2020
Unearned revenue	400.12	568.86
Advances from customers	22.97	7.98
Statutory remittances	249.19	210.10
	672.28	786.94

21 Provisions - current

Particulars	31 March 2021	31 March 2020
Provision for employee benefits		
- Compensated absences	50.19	28.00
- Gratuity fund plan liabilities (Refer note 33 (3))	40.27	35.66
Other provisions		
- Provision for Onerous Contracts	26.09	22.04
	116.55	85.70

22 Revenue from operations

Particulars	31 March 2021	31 March 2020
Software services (Refer note 31)	16,405.31	14,621.64
	16,405.31	14,621.64

23 Other income

Particulars	31 March 2021	31 March 2020
Interest income	222.99	96.94
Dividend income from current investments	2.78	-
Foreign exchange gain (net) (Refer note (i) below)	(132.94)	164.84
Fair value loss on financial assets (investments) at fair value through profit or loss	3.19	(16.96)
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	19.69	24.15
Gain on sale/ redemption of mutual funds (net)	3.79	80.54
	119.50	349.51

Note:

(i) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ 294.35 million (Previous year - ₹ 35.50 million) (Refer note 27(3)).

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

24 Employee benefits expense

Particulars	31 March 2021	31 March 2020
Salaries, wages and incentives	10,094.76	8,974.36
Contribution to provident fund (Refer note 33(1))	365.03	345.28
Share based compensation to employees (Refer note 38)	73.55	76.86
Staff welfare expenses	15.92	38.45
	10,549.26	9,434.95

25 Finance costs

Particulars	31 March 2021	31 March 2020
Interest expense on lease liability	100.76	118.81
Other interest expense	1.62	4.65
	102.38	123.46

26 Other expenses

Particulars	31 March 2021	31 March 2020
Travel and overseas expenses (net)	21.64	190.93
Transport and conveyance (net)	10.53	129.97
Cost of service delivery (net)	240.06	131.26
Cost of professional sub-contracting (net)	355.83	300.01
Recruitment and training expenses	162.90	140.50
Power and fuel	70.11	114.64
Rent	22.30	37.86
Repairs and maintenance		
- buildings	63.83	149.76
- plant and equipment	236.41	306.11
- others	161.58	113.09
Insurance	134.35	70.74
Rates and taxes	7.67	21.82
Communication expenses (net)	92.11	74.29
Legal and professional fees	303.89	319.02
Marketing expenses	3.73	13.70
Loss on sale of property, plant and equipment and intangible assets (net)	0.50	0.31
Printing and stationery	8.59	9.40
Auditors remuneration (net of taxes)		
- Audit fees	10.00	10.00
- Limited review of quarterly results	2.50	2.50
- Fees for other services	3.95	2.04
- Out of pocket expenses reimbursed	0.28	2.04
Bad debts written off	76.59	147.15
Provision for doubtful debts and advances (net)	56.01	(31.43)
Contributions towards corporate social responsibility (Refer note 41(1))	52.79	41.75
Miscellaneous expenses (net)	203.35	193.98
	2,301.50	2,491.44

Notes:

Certain expenses are net of recoveries/ reimbursements from customers.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

27 Financial Instruments

27.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2021 are as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets							
Investments (other than in subsidiaries)	-	-	553.17	-	-	553.17	553.17
Trade receivables	2,130.43	-	-	-	-	2,130.43	2,130.43
Cash and cash equivalents	1,560.87	-	-	-	-	1,560.87	1,560.87
Other balances with banks	5,769.05	-	-	-	-	5,769.05	5,769.05
Loans	252.49	-	-	-	-	252.49	252.49
Unbilled revenue	214.53	-	-	-	-	214.53	214.53
Other financial assets	420.70	-	-	-	170.23	590.93	590.93
Total Assets	10,348.07	-	553.17	-	170.23	11,071.47	11,071.47
Liabilities							
Lease liabilities	1,095.80	-	-	-	-	1,095.80	1,095.80
Trade payables	640.54	-	-	-	-	640.54	640.54
Other financial liabilities	1,062.73	-	-	-	-	1,062.73	1,062.73
Total Liabilities	2,799.07	-	-	-	-	2,799.07	2,799.07

The carrying value and fair value of financial instruments by categories as on 31 March 2020 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		
Assets							
Investments	-	-	330.02	-	-	330.02	330.02
Trade receivables	3,923.15	-	-	-	-	3,923.15	3,923.15
Cash and cash equivalents	1,337.13	-	-	-	-	1,337.13	1,337.13
Other balances with banks	1,805.40	-	-	-	-	1,805.40	1,805.40
Loans	247.09	-	-	-	-	247.09	247.09
Unbilled revenue	363.94	-	-	-	-	363.94	363.94
Other financial assets	220.35	-	-	-	-	220.35	220.35
Total Assets	7,897.06	-	330.02	-	-	8,227.08	8,227.08
Liabilities							
Lease liabilities	1,277.15	-	-	-	-	1,277.15	1,277.15
Trade payables	772.97	-	-	-	-	772.97	772.97
Other financial liabilities	820.21	-	-	-	294.35	1,114.56	1,114.56
Total Liabilities	2,870.33	-	-	-	294.35	3,164.68	3,164.68

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

27.2 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 2021 :

Particulars	As at 31 March 2021	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in Mutual funds	553.17	553.17	-	-
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Forward contract designated as cash flow hedge	170.23	-	170.23	-
Lease Liabilities	1,095.80	-	1,095.80	-

The following table presents fair value hierarchy of assets and liabilities measured as on 31 March 2020 :

Particulars	As at 31 March 2020	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in Mutual funds	330.02	330.02	-	-
Investment in equity instruments of other entities	0.00*	-	-	0.00*
Forward contract designated as cash flow hedge	294.35	-	294.35	-
Lease Liabilities	1,277.15	-	1,277.15	-

* Since denominated in ₹ million.

Valuation technique and significant unobservable inputs:

Level 2:

- (i) Derivatives contract with banks are fair valued using fair values obtained from banks and are classified in Level 2
- (ii) Loans and lease liabilities given are valued using the discounted cash flow method, the net cash flows expected to be generated are discounted using the cost of borrowing that are directly or indirectly observable in the market.

Level 3:

Valuation techniques

For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounted cash flow method, the net cash flows expected to be generated are discounted using the weighted average cost of capital.

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

27.3 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. Further, refer note 40 for evaluation of impact of COVID 19.

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 ₹ 2,130.43 million and ₹ 3,923.15 million and unbilled revenue amounting to 214.53 million and ₹ 363.94 million as on 31 March 2021 and 31 March 2020 respectively. To manage this, the Company periodically assesses the key accounts receivable balances. Credit risk on derivative instruments is generally low as the company enters into derivative contracts with reputed banks. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

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 2021	31 March 2020
Balance at the beginning of the year	147.65	170.51
Change during the year	(20.58)	(182.22)
Bad debts written off	76.59	147.15
Translation exchange difference	(0.88)	12.21
Balance at the end of the year	202.78	147.65

Trade receivables that were not impaired

Particulars	Carrying amount	
	31 March 2021	31 March 2020
Neither past due nor impaired	672.23	1,627.55
Past due 1- 30 days	563.33	1,495.24
Past due 31 - 90 days	550.25	236.99
Past due 91 - 180 days	200.91	305.57
More than 180 days	143.71	257.80

Unbilled revenue is not outstanding for more than 90 days.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

iii. Cash and bank balances

The Company held cash and bank balances of ₹ 7,654.59 million and ₹ 3,227.26 million as on 31 March 2021 and 31 March 2020 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iv. Guarantees

The Company's policy is to provide financial guarantees only on behalf of subsidiaries. The Company has issued the guarantees to certain banks in respect of credit facilities granted to its subsidiaries on 31 March 2021. There are nil external borrowings in subsidiaries as on 31 March 2021.

v. Investment

The Company invests surplus funds in mutual fund schemes. These mutual funds are regulated by Securities and Exchange Board of India (SEBI).

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents	1,560.87	1,337.13
Other balances with banks	5,760.79	1,797.43
Investments in Mutual funds (quoted)	553.17	330.02
Fixed deposits with banks including interest accrued	324.67	84.73
Total	8,199.50	3,549.31

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021.

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Trade payables	640.54	-	-	-	-	640.54
Other financial liabilities	1,062.73	-	-	-	-	1,062.73
Lease liabilities on undiscounted basis	315.90	294.98	523.44	169.88	14.48	1,318.68

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2020.

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Trade payables	772.97	-	-	-	-	772.97
Other financial liabilities	1,114.56	-	-	-	-	1,114.56
Lease liabilities on undiscounted basis	334.16	313.34	527.95	175.33	161.35	1,512.13

c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i. Foreign currency risk

Significant portion of the Company's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Company. The foreign currencies to which the Company is majorly exposed to are US Dollars, Euros and Pound Sterling.

The Company evaluates net exchange rate exposure based on current revenue projections and expected volatility in the market and covers its exposure up to 75% on net basis. For this purpose the Company uses foreign currency derivative instruments such as forward covers to mitigate the risk. The counterparty to these derivative instruments is a bank. The Company has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of highly probable forecasted cash flows.

Exposure to Currency Risk

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2021 (Amount in ₹ million):

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	18.08	-	7.60	-	25.68
Trade receivables	593.29	485.80	78.07	134.83	1,291.99
Other financial assets (including loan, unbilled revenue)	201.31	139.48	5.00	34.21	379.99
Trade payables	(4.83)	(6.15)	(1.32)	3.15	(9.15)
Other financial liabilities	17.41	61.55	(8.88)	(86.64)	(16.56)
Net assets/(liabilities)	825.26	680.67	80.47	85.55	1671.95

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2020 (Amount in ₹ million):

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	311.94	87.39	18.73	291.09	709.15
Trade receivables	1,809.17	650.01	82.33	223.97	2,765.48
Other financial assets (including loan, unbilled revenue)	117.81	119.88	46.93	82.12	366.74
Trade payables	(6.35)	(4.13)	-	(7.01)	(17.49)
Other financial liabilities	-	-	-	(66.49)	(66.49)
Net assets/(liabilities)	2,232.57	853.15	147.99	523.68	3,757.39

For the year ended 31 March 2021, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.02% / (0.02%).

For the year ended 31 March 2020, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 1.39% / (1.39)%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Company's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following are the outstanding GBP/USD/EUR: INR Currency Exchange Contracts entered into by the Company which has been designated as Cash Flow Hedges:

Particulars	31 March 2021		31 March 2020	
	Foreign Currency	₹	Foreign Currency	₹
EUR	7.00	640.50	5.25	436.01
USD	83.00	6,349.50	89.30	6,731.96
GBP	1.00	101.10	1.10	102.38

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 on 31 March 2021

(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 2021	31 March 2020
Balance at the beginning of the year	(191.49)	23.69
Gains/(losses) recognised in Other Comprehensive Income	170.23	(294.34)
Amounts reclassified to Statement of Profit and Loss	294.35	(35.50)
Deferred tax on fair value of effective portion of cash flow hedges	(145.70)	114.66
Transfer on account of demerger	-	-
Balance at the end of the year	127.39	(191.49)

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 floating interest rates of bank deposits. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets	7,017.02	1,854.54

28 Related party disclosures

A. Relationship between the parent and its subsidiaries:

Relationship	Name of related party
Subsidiary Companies (Direct holding)	Birlasoft Solutions Inc (erstwhile KPIT Infosystems Incorporated, USA)
	Birlasoft Solutions France (erstwhile KPIT Technologies France SAS)
	Birlasoft Computer Corporation, USA (erstwhile SYSTIME Computer Corporation, USA)
	Birlasoft Solutions ME FZE (erstwhile KPIT Infosystems ME FZE, Dubai)
	Birlasoft Solutions Limited (erstwhile KPIT Infosystems Limited)
	Birlasoft Sdn Bhd
	Birlasoft Inc.
Subsidiary Companies (Indirect holding)	Birlasoft Consulting Inc. (erstwhile Sparta Consulting Inc., USA) (Subsidiary of Birlasoft Solutions Inc, USA)
	Birlasoft Technologies Canada Corporation (erstwhile KPIT Technologies Corporation) (Subsidiary of Birlasoft Computer Corporation, USA)
	Birlasoft Solutions Ltda (erstwhile KPIT TECHNOLOGIES SOLUÇÕES EM INFORMÁTICA LTDA.) (Subsidiary of Birlasoft Solutions Inc, USA)
	Birlasoft Solutions GmbH (erstwhile KPIT Solutions GmbH, Germany) (Subsidiary of KPIT Infosystems Ltd. (UK)
	Birlasoft Solutions Mexico, S.A. DE C.V. (erstwhile KPIT Infosystems Mexico, S.A. DE) (Subsidiary of Birlasoft Solutions Inc, USA)
	Enable Path LLC (Subsidiary of Birlasoft Inc.)
	Birlasoft (UK) Limited (Subsidiary of Birlasoft Inc.)
	Birlasoft GmbH (Subsidiary of Birlasoft (UK) Limited)

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Relationship	Name of related party
Entities jointly controlled by a Group having joint control over the reporting entity	KPIT Technologies (UK) Limited (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT (Shanghai) Software Technology Co. Limited, China (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies Netherlands B.V (w.e.f. 01 January 2019 upto 31 January 2020)
	Impact Automotive Solutions Limited (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies Holding Inc (US) (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies Inc (US) (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies Limited GK (Japan) (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies Limited (erstwhile KPIT Engineering Limited) (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies GmbH, Germany (w.e.f. 01 January 2019 upto 31 January 2020)
	MicroFuzzy KPIT TECNOLOGIA LTDA, Brazil (w.e.f. 01 January 2019 upto 31 January 2020)
	MicroFuzzy Industrie-Elektronik GmbH (w.e.f. 01 January 2019 upto 31 January 2020)
	KPIT Technologies PTE Limited (w.e.f. 01 January 2019 upto 31 January 2020)
	Yantra Digital Services Private Limited, India (Joint venture of Impact Automotive Solutions Limited) (w.e.f. 01 January 2019 upto 31 January 2020)
Joint Venture	Yantra Digital Services Private Limited, India (w.e.f. 01 February 2018 through Impact Automotive Solutions Limited upto 01 January 2019)
Enterprise having joint control over entity	National Engineering Industries Limited (w.e.f. 15 January 2019 upto 31 January 2020)
	Central India Industries Limited (w.e.f. 15 January 2019 upto 31 January 2020)
	Proficient FinStock LLP (w.e.f. 15 January 2019 upto 31 January 2020)
Enterprise having significant influence over the entity	National Engineering Industries Limited (w.e.f. 01 February 2020)
Public Company in which a director is a director and holds along with his relatives, >2% of its paid-up share capital	Orient Cement Limited
	Orient Electric Limited

As per the agreement between the parties, consequent to the National Company Law Tribunal (NCLT) approved composite scheme, the joint control between the Transferee Company i.e. Birlasoft Limited (erstwhile KPIT Technologies Limited) and the Resulting Company i.e. KPIT Technologies Limited (erstwhile KPIT Engineering Limited) has concluded effective February 1, 2020.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

B. List of Key Management Personnel :

Key Management Personnel (KMP)	Mrs. Amita Birla	Chairman and Non-Executive Director
	Mr. Chandrakant Birla	Non-Executive Director
	Mr. Ashok Kumar Barat	Independent Director
	Mr. Anant Talaulicar	Independent Director
	Ms. Nandita Gurjar	Independent Director
	Ms. Alka Bharucha	Independent Director
	Mr. Prasad Thrikutam (upto 10 June 2020)	Independent Director
	Mr. Dharmander Kapoor	Chief Executive Officer & Managing Director
	Mr. Chandrasekar Thyagarajan (w.e.f. 21 August 2020)	Chief Financial Officer
	Ms. Sneha Padve	Company Secretary
	Mr. Anjan Lahiri (upto 31 May 2019)	1. Nominee Director (w.e.f. 23 May 2018 upto 15 January 2019) 2. Managing Director & Chief Executive Officer (w.e.f. 16 January 2019)
	Mr. Pawan Sharma (w.e.f. 15 January 2019 upto 31 May 2019)	Executive Director
	Mr. Sachin Tikekar (upto 15 January 2019)	Executive Director
	Mr. Rajeev Gupta (w.e.f 16 January 2019 upto 31 March 2020)	Chief Financial Officer

C. List of other related parties with whom there are transactions

Others	CK Birla Corporate Services Limited*
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D. List of Director's and KMP's relative

KMP's relative	Siddhant Padve
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Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Sales/(Reversals)																			
Birlasoft (UK) Limited			221.98	235.70													221.98	235.70	
Birlasoft Inc.	4,041.88	3,328.60														4,041.88	3,328.60		
Birlasoft Solutions France (Formerly KPIT Technologies France)	252.75	174.58														252.75	174.58		
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	4,423.65	3,886.64														4,423.65	3,886.64		
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	985.51	758.90														985.51	758.90		
Birlasoft Consulting Inc. (formerly Sparta Consulting Inc., USA)			663.52	820.14												663.52	820.14		
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)			573.12	371.97												573.12	371.97		
Birlasoft Solutions GmbH (Formerly KPIT Solutions GmbH)			386.94	517.12												386.94	517.12		
Birlasoft Solutions ME FZE (formerly KPIT Infosystems ME FZE - United Arab Emirates)	4.31	7.06														4.31	7.06		
Birlasoft (UK) Limited (Netherlands Branch)			118.34	86.78												118.34	86.78		
Birlasoft Solutions ME FZE, United Arab Emirates (Australia branch)	19.69	7.59														19.69	7.59		
Birlasoft Solutions Mexico, S.A. DE C.V. (Formerly KPIT Infosystems Mexico, S.A. DE C.V.)			17.68	-												17.68	-		
Birlasoft Sdn. Bhd.	12.12	4.82														12.12	4.82		
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	477.06	431.91														477.06	431.91		
Orient Cement Limited									1.69	0.70						1.69	0.70		
Orient Electric Limited									6.00	1.80						6.00	1.80		
CK Birla Corporate Services Limited											8.30					8.30	-		
KPIT (Shanghai) Software Technology Co. Limited, China					NA	6.36										-	6.36		
KPIT Technologies Inc (US)					NA	(3.34)										-	(3.34)		
KPIT Technologies Limited GK (Japan)					NA	7.02										-	7.02		
KPIT Technologies Limited					NA	2.08										-	2.08		
Software service charges																			
Birlasoft (UK) Limited																			
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)		0.68																	0.68

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	0.03	0.87													0.03		0.87		
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)			-	0.08											-		0.08		
KPIT Technologies PTE Limited					NA	1.00									-		1.00		
KPIT Technologies Limited					NA	22.26									-		22.26		
Advance (net)																			
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	(0.98)	1.59													(0.98)		1.59		
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	1.32	26.85													1.32		26.85		
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	1.15	0.67													1.15		0.67		
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)			0.46	0.74											0.46		0.74		
Birlasoft Solutions ME FZE (formerly KPIT Infosystems ME FZE- United Arab Emirates)	(2.25)	0.40													(2.25)		0.40		
Birlasoft Solutions ME FZE, United Arab Emirates (Australia branch)	1.63	(0.53)													1.63		(0.53)		
Birlasoft (UK) Limited (Netherlands Branch)			1.62	-											1.62		-		
Birlasoft Solutions France (Formerly KPIT Technologies France)	0.79	(0.51)													0.79		(0.51)		
Birlasoft Inc.	0.29	-													0.29		-		
Birlasoft (UK) Limited			(0.58)	-											(0.58)		-		
Birlasoft Consulting Inc. (formerly Sparta Consulting Inc., USA)			-	1.64											-		1.64		
KPIT Technologies PTE Limited					NA	0.42									-		0.42		
KPIT Technologies Limited					NA	(43.48)									-		(43.48)		
KPIT Technologies Limited GK (Japan)					NA	0.81									-		0.81		
Reimbursement of Expenses																			
Birlasoft (UK) Limited			(38.76)	48.62											(38.76)		48.62		
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	6.43	2.47													6.43		2.47		
Birlasoft (UK) Limited (Netherlands Branch)			2.49	-											2.49		-		
Birlasoft Consulting Inc. (formerly Sparta Consulting Inc., USA)			1.17	0.85											1.17		0.85		
Birlasoft Inc.	21.14	15.50													21.14		15.50		
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	5.89	2.26													5.89		2.26		

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	
Birlasoft Solutions ME FZE, United Arab Emirates (Australia Branch)	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)	-	-	0.63	1.47	-	-	-	-	-	-	-	-	-	-	0.63	1.47	-	-
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	(0.46)	1.87	-	-	-	-	-	-	-	-	-	-	-	-	(0.46)	1.87	-	-
Birlasoft Solutions France (Formerly KPIT Technologies France)	-	2.66	-	-	-	-	-	-	-	-	-	-	-	-	-	2.66	-	-
KPIT (Shanghai) Software Technology Co. Limited, China	-	-	-	-	NA	(6.75)	-	-	-	-	-	-	-	-	-	-	-	(6.75)
KPIT Technologies Limited GK (Japan)	-	-	-	-	NA	(14.08)	-	-	-	-	-	-	-	-	-	-	-	(14.08)
KPIT Technologies Limited (erstwhile KPIT Engineering Limited)	-	-	-	-	NA	(140.84)	-	-	-	-	-	-	-	-	-	-	-	(140.84)
Dhamander Kapoor	-	-	-	-	-	-	-	-	-	-	0.09	0.75	-	-	0.09	0.75	-	-
Chandrasekar Thyagarajan	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-	-	-
Sneha Padve	-	-	-	-	-	-	-	-	-	-	0.04	0.14	-	-	0.04	0.14	-	-
Ashok Kumar Barar	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	0.06	-	-
Prasad Thrikulam	-	-	-	-	-	-	-	-	-	-	-	0.93	-	-	-	0.93	-	-
Rajeev Gupta	-	-	-	-	-	-	-	-	-	-	NA	0.44	-	-	-	0.44	-	-
Alka Bharucha	-	-	-	-	-	-	-	-	-	-	-	0.17	-	-	-	0.17	-	-
Reimbursement Revenue																		
Birlasoft (UK) Limited	-	-	-	6.72	-	-	-	-	-	-	-	-	-	-	-	6.72	-	-
Birlasoft Inc.	0.43	-	-	-	-	-	-	-	-	-	-	-	-	-	0.43	-	-	-
Birlasoft Solutions France (Formerly KPIT Technologies France)	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	0.37	-	-
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	18.41	105.34	-	-	-	-	-	-	-	-	-	-	-	-	18.41	105.34	-	-
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	1.61	10.75	-	-	-	-	-	-	-	-	-	-	-	-	1.61	10.75	-	-
Birlasoft Consulting Inc. (formerly Sparta Consulting Inc., USA)	-	-	19.01	117.81	-	-	-	-	-	-	-	-	-	-	19.01	117.81	-	-
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)	-	-	1.51	10.20	-	-	-	-	-	-	-	-	-	-	1.51	10.20	-	-
Birlasoft Solutions GmbH (Formerly KPIT Solutions GmbH)	-	-	1.74	6.81	-	-	-	-	-	-	-	-	-	-	1.74	6.81	-	-
Birlasoft (UK) Limited (Netherlands Branch)	-	-	1.10	-	-	-	-	-	-	-	-	-	-	-	1.10	-	-	-
Birlasoft Sdn. Bhd.	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	1.28	2.91	-	-	-	-	-	-	-	-	-	-	-	-	1.28	2.91	-	-

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	
Guarantee fees																		
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	-	3.66																3.66
Outstanding receivables against sales																		
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	259.09	1,002.84																1,002.84
Birlasoft Solutions France (Formerly KPIT Technologies France)	(34.11)	125.80																125.80
Birlasoft Consulting Inc. (formerly Sparta Consulting Inc., USA)			133.05	232.39														232.39
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	135.39	116.44																116.44
Birlasoft Solutions ME FZE (formerly KPIT Infosystems ME FZE- United Arab Emirates)	(5.01)	(6.12)																(6.12)
Birlasoft Solutions ME FZE (Australia Branch)	42.31	75.25																75.25
Birlasoft Solutions ME FZE (Korea Branch)	-	6.36																6.36
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)			42.73	106.54														106.54
Birlasoft Solutions GmbH (Formerly KPIT Solutions GmbH)			231.06	409.99														409.99
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	355.09	159.11																159.11
Birlasoft Sdn. Bhd.	1.78	0.29																0.29
Birlasoft Inc.	(172.31)	145.98																145.98
Birlasoft (UK) Limited			20.67	70.85														70.85
Birlasoft (UK) Limited, Netherlands Branch			19.48	26.39														26.39
Birlasoft Solutions Mexico S.A. DE C.V. (Formerly KPIT Infosystems Mexico, S.A. DE C.V.)			17.83	-														-
CK Birla Corporate Services Limited													8.27					8.27
Outstanding payable against software service charges																		
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	-	(0.08)																(0.08)
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	-	(0.24)																(0.24)
Birlasoft Solutions ME FZE (Australia Branch)	3.83	3.18																3.18

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Outstanding against advances																			
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	49.27	43.75																49.27	43.75
Birlasoft Solutions France (Formerly KPIT Technologies France)	4.13	3.25																4.13	3.25
Birlasoft Consulting Inc. (formerly Sparta Consulting Inc., USA)			1.78	0.61														1.78	0.61
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	2.89	1.53																2.89	1.53
Birlasoft Solutions ME FZE (formerly KPIT Infosystems ME FZE, United Arab Emirates)	0.02	4.62																0.02	4.62
Birlasoft Solutions ME FZE (Australia Branch)	1.26	(0.38)																1.26	(0.38)
Birlasoft Solutions ME FZE (Korea Branch)	-	1.87																-	1.87
Birlasoft Technologies Canada Corporation (Formerly KPIT Technologies Corporation)			3.29	2.02														3.29	2.02
Birlasoft Solutions GmbH (Formerly KPIT Solutions GmbH)			0.43	0.43														0.43	0.43
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	0.89	2.20																0.89	2.20
Birlasoft Sdn. Bhd.	-	12.64																-	12.64
Birlasoft Inc.	21.52	18.06																21.52	18.06
Birlasoft (UK) Limited			(11.89)	4.49														(11.89)	4.49
Birlasoft (UK) Limited, Netherlands Branch			1.60	-														1.60	-
Outstanding against investment in equity																			
Birlasoft Solutions Inc. (Formerly KPIT Infosystems Incorporated USA)	2,879.17	2,879.17																2,879.17	2,879.17
Birlasoft Solutions France (Formerly KPIT Technologies France)	215.97	215.97																215.97	215.97
Birlasoft Computer Corporation, USA (Formerly SYSTIME Computer Corporation, USA)	469.36	469.36																469.36	469.36
Birlasoft Solutions ME FZE (formerly KPIT Infosystems ME FZE, United Arab Emirates)	25.41	25.41																25.41	25.41
Birlasoft Solutions Limited (Formerly KPIT Infosystems Limited (UK))	47.49	47.49																47.49	47.49
Birlasoft Sdn. Bhd.	*0.00	*0.00																-	-
Birlasoft Inc.	25.90	25.90	0.04	0.04														25.90	0.04
Birlasoft Solutions Ltda. (Formerly KPIT Technologies Solucoes Em Informatica Ltda.)																			

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Short term employee benefits																			
Dharamder Kapoor											33.31	30.04					33.31	30.04	
Pawan Sharma											NA	2.50					-	2.50	
Anjan Lahiri											NA	8.27					-	8.27	
Rajeev Gupta											NA	23.94					-	23.94	
Sneha Paoye											4.77	5.88					4.77	5.88	
Chandrasekar Thyagarajan											11.99	-					11.99	-	
Post employment benefit plans																			
Dharamder Kapoor											1.54	1.82					1.54	1.82	
Pawan Sharma											NA	4.45					-	4.45	
Anjan Lahiri											NA	1.35					-	1.35	
Rajeev Gupta											NA	0.99					-	0.99	
Sneha Paoye											0.15	0.15					0.15	0.15	
Chandrasekar Thyagarajan											0.49	-					0.49	-	
Perquisite Value																			
Dharamder Kapoor											19.73	21.91					19.73	21.91	
Anjan Lahiri											NA	163.09					-	163.09	
Commission Paid																			
Amita Birla											5.00	0.60					5.00	0.60	
Chandrakant Birla											2.00	0.60					2.00	0.60	
Anant Talaulicar											2.50	0.60					2.50	0.60	
Alka Bhanucha											2.00	0.60					2.00	0.60	
Ashok Kumar Barat											3.00	0.60					3.00	0.60	
Nandita Gurjar											2.00	0.60					2.00	0.60	
Prasad Thrikutam											5.02	0.60					5.02	0.60	
Sitting fees																			
Amita Birla											0.75	0.90					0.75	0.90	
Chandrakant Birla											0.50	0.50					0.50	0.50	
Anant Talaulicar											1.20	1.35					1.20	1.35	
Alka Bhanucha											0.60	0.40					0.60	0.40	
Ashok Kumar Barat											0.95	1.10					0.95	1.10	
Nandita Gurjar											1.25	1.60					1.25	1.60	
Prasad Thrikutam											0.20	1.15					0.20	1.15	
Sachin Tikekar											NA	0.50					-	0.50	
Salary																			
Siddhant Paoye													0.03				0.03	-	

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Nature of Transaction	Subsidiary Companies (Direct Holding)		Subsidiary Companies (Indirect Holding)		Entities jointly controlled by a Group having joint control over the reporting entity		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relative		Others		Total		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2020	March 31, 2020	
Rent																			
National Engineering Industries Limited								1.90											1.90
Corporate Assistance and IPR charges/ Fess etc.																			
CK Birla Corporate Services Limited														43.97	48.22			48.22	
Branding Cost																			
CK Birla Corporate Services Limited														2.10	-			2.10	
Balance outstanding as on 31 March 2021 [Receivable/(Payable)]																			
Rajeev Gupta											NA	(3.80)							(3.80)
Anant Talaulkar											(0.10)	-							(0.10)
Nandita Gujjar											(0.06)	-							(0.06)
Chandrakant Birla											(0.06)	-							(0.06)
Amita Birla											(0.28)	-							(0.28)
Alka Bharucha											(0.06)	-							(0.06)
Ashok Kumar Barat											(0.13)	-							(0.13)
National Engineering Industries Limited									0.26										0.26
CK Birla Corporate Services Limited														(10.10)	(15.99)			(15.99)	
Orient Cement Limited										0.50									0.50
Orient Electric Limited										2.80									2.80

Notes

Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available

All transactions with these related parties are priced on an arm's length basis.

* As the company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'Group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction is being reported as a related party transaction under the applicable accounting standards.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021 (Amount in ₹ million)

29 Other equity

(i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

(ii) Capital redemption reserve

Represents the nominal amount of the preference share capital on redemption of 400,000, 0.01% cumulative redeemable preference shares.

(iii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

(iv) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

(v) Share based payment reserve

The Company has established various equity-settled share based payment plans for certain categories of employees of the Company. Refer note 38 for further details.

30 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

- a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at 31 March 2021 is ₹ 31.93 million (trade payable: ₹ 18.95 million; payables in respect of fixed assets ₹ 12.98 million) (Previous year - ₹ 4.34 million) (trade payable: ₹ 3.19 million; payables in respect of fixed assets ₹ 1.15 million). Estimated interest due thereon is ₹ 0.11 (Previous year - ₹ 0.36).
- b. Amount of payments made to suppliers beyond the appointed date during the year is ₹ 110.35 million (Previous year - ₹ 47.99 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 1.87 million (Previous year - ₹ 2.06 million).
- c. 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
- d. The amount of estimated interest accrued and remaining unpaid as at 31 March 2021 is ₹ 1.98 million (Previous year - ₹ 2.42 million).
- e. The amount of further estimated interest due and payable for the period from 1 April 2021 to actual date of payment or 30 April 2021 (whichever is earlier) is ₹ Nil

*The interest is not accrued.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

31 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 2021

Particulars	MFG	BFSI	ENU	LSS	Revenue from Subsidiary	Total
External Customers	1,873.86	1,089.33	513.45	725.83	-	4,202.47
Revenue from Subsidiary (BTB revenue)	-	-	-	-	12,202.84	12,202.84
Total revenue from contracts with customers	1,873.86	1,089.33	513.45	725.83	12,202.84	16,405.31
Geographical Markets						
a. Americas	-	-	-	-	10,529.95	10,529.95
b. UK and Europe	107.30	136.97	-	-	1,515.97	1,760.24
c. Rest of World	1,766.56	952.36	513.45	725.83	156.92	4,115.12
Total revenue from contracts with customers	1,873.86	1,089.33	513.45	725.83	12,202.84	16,405.31

Revenue for year ended 31 March 2020

Particulars	MFG	BFSI	ENU	LSS	Revenue from Subsidiary	Total
External Customers	1,935.66	1,083.74	534.42	430.34	-	3,984.16
Revenue from Subsidiary (BTB revenue)	-	-	-	-	10,637.48	10,637.48
Total revenue from contracts with customers	1,935.66	1,083.74	534.42	430.34	10,637.48	14,621.64
Geographical Markets						
a. Americas	1.09	30.56	-	-	9,161.04	9,192.69
b. UK and Europe	57.71	588.36	0.54	5.72	1,434.25	2,086.58
c. Rest of World	1,876.86	464.82	533.88	424.62	42.19	3,342.37
Total revenue from contracts with customers	1,935.66	1,083.74	534.42	430.34	10,637.48	14,621.64

b. Trade receivables and Contract balances:

Particulars	31 March 2021	31 March 2020
Trade Receivables	2,130.43	3,923.15
Contract assets (including unbilled revenue)	291.93	597.42
Unearned Revenue	400.12	568.86

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

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 2021	31 March 2020
Balance at the beginning of the year	597.42	615.17
Revenue recognized net of invoices raised during the year	(305.49)	-17.75
Balance at the end of the year	291.93	597.42

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 2021	31 March 2020
Balance at the beginning of the year	568.86	254.98
Revenue recognized net of unearned revenue for the year	168.74	(313.88)
Balance at the end of the year	400.12	568.86

Revenue recognized during the current year from:	31 March 2021	31 March 2020
Amounts included in contract liability at the beginning of the period	568.86	254.98

c. Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

Particulars	31 March 2021	31 March 2020
Within one year	194.37	1,119.62
Balance at the end of the year	907.16	5,476.24

d. Contract Fulfillment Cost:

The Company recognizes contract fulfillment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Changes in Contract Fulfillment Cost	31 March 2021	31 March 2020
Opening Balance	26.25	-
Cost incurred during the period qualifying as contract fulfillment cost	-	29.69
Amortized in the reporting period	4.94	3.44
Closing balance	21.31	26.25

Further, refer note 40 for evaluation of impact of COVID 19.

32 Expenditure and Earnings in foreign Currency

A. Expenditure in foreign currency

Particulars	31 March 2021	31 March 2020
Salaries and wages	98.45	246.58
Cost of professional subcontracting	145.58	553.36
Cost of service delivery	507.35	22.28
Recruitment and training expenses	19.31	8.85
Travelling expenses	1.02	58.84
Marketing expenses	0.01	2.79
Professional expenses	3.99	14.42
Other expenses	46.69	57.64
Total	822.40	964.76

B. Earnings in foreign currency

Particulars	31 March 2021	31 March 2020
Software services	14,196.00	11,920.55
Interest Income	-	3.66
Miscellaneous income	1.11	-
Total	14,197.11	11,924.21

Previous year numbers are restated wherever required

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

33 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 ₹ 365.03 million (Previous year ₹ 345.28 million)

2 Defined benefit plan - unfunded

- i) During the year, company has transitioned from un-funded to funded plan for defined benefit plan.
- ii) The defined benefit plan comprises gratuity, which is un-funded.
- iii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

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 last drawn salary for each completed year of service with a vesting period of five 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 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	278.89	235.51
On account of transition to defined benefit plan - funded [refer subnote (i) of note 33(2)]	(278.89)	-
Current service cost	-	34.96
Interest cost	-	17.62
Actuarial loss / (Gain) recognized in other comprehensive income		
a) changes in financial assumptions	-	18.52
b) experience adjustments	-	21.16
Liability transferred to resulting company on account of demerger	-	(3.95)
Benefits paid	-	(44.93)
Present value of defined benefit obligation at the end of the year	-	278.89

Analysis of defined benefit obligation	31 March 2021	31 March 2020
Present value of obligation as at the end of the year	-	278.89
Net liability recognized in the Balance Sheet	-	278.89

Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	31 March 2021	31 March 2020
Current service cost	-	34.96
Interest cost	-	17.62
Expenses recognized in the Statement of Profit and Loss	-	52.58

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	31 March 2021	31 March 2020
Actuarial loss / (gain)	-	39.68
Net (income)/expense recognized in the OCI	-	39.68

Actuarial Assumptions:	31 March 2021	31 March 2020
Discount rate	-	6.59%
Salary Escalation	-	5.00%

Attrition Rate	31 March 2021	31 March 2020
- 2 years and below	-	25.00%
- between 3 and 4 years	-	20.00%
- 5 years and above	-	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 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.

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 2021		31 March 2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	-	-	(20.66)	23.83
Future salary growth (1 % movement)	-	-	23.97	(21.14)
Attrition rate (1 % movement)	-	-	1.68	(2.04)

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	31 March 2021	31 March 2020
With 1 year	-	24.01
1-2 year	-	21.63
2-3 year	-	22.45
3-4 year	-	23.11
4-5 year	-	23.54
5-10 years	-	114.67
Thereafter	-	305.95

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2021	31 March 2020
Number of active members	-	6,342
Per month salary cost for all active members (million)	-	145.15
Weighted average duration of the projected benefit obligation (years)	-	9.00
Average expected future service (years)	-	7.00
Projected benefit obligation (PBO)	-	278.89

3 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 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	199.96	173.99
On account of transition to defined benefit plan - funded [refer subnote (i) of note 33(2)]	278.89	-
Current service cost	75.39	29.52
Interest cost	31.56	12.20
Actuarial loss / (Gain) recognized in other comprehensive income		
a) changes in demographic assumptions	-	(0.05)
b) changes in financial assumptions	4.27	23.06
c) experience adjustments	(1.80)	(23.42)
Benefits paid	(48.03)	(15.34)
Present value of defined benefit obligation at the end of the year	540.24	199.96

Changes in the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	188.31	186.21
Actual return on plan assets	12.41	10.71
Fund Charges	-	(0.68)
Employer contribution	17.66	8.10
Benefits paid	(3.50)	(16.03)
Return on Plan Assets, Excluding Interest Income	3.68	-
Fair value of plan assets at the end of the period	218.56	188.31

Analysis of defined benefit obligation	31 March 2021	31 March 2020
Present value of obligation as at the end of the year	540.25	199.96
Fair value of plan assets	218.56	188.31
Net (asset) / liability recognized in the Balance Sheet	321.69	11.65

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	31 March 2021	31 March 2020
Current service cost	75.39	29.52
Interest cost	31.56	12.20
Interest income on plan assets	12.41	10.71
Expenses recognized in the Statement of Profit and Loss	94.54	31.01

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	31 March 2021	31 March 2020
Actuarial loss / (gain) for the year on PBO	2.48	(0.41)
Return on Plan Assets, Excluding Interest Income	(3.68)	2.75
Net (income) / expense recognized in the OCI	(1.20)	2.34

Actuarial Assumptions:	31 March 2021	31 March 2020
Discount rate	6.49%	5.57%
Salary escalation	5.00%	5.00%
Attrition Rate		
- 2 years and below	25.00%	25.00%
- 3 years to 4 years	20.00%	20.00%
- 5 years and above	7.50%	7.50%

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2021	31 March 2020
Funds managed by insurer	100%	100%

Expected contribution for the next Annual reporting period.

Particulars	31 March 2021	31 March 2020
Service cost	84.02	39.51
Net interest cost	20.88	0.65
Expected expense for the next annual reporting period	104.90	40.16

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 2021		31 March 2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(40.16)	46.23	(15.44)	16.50
Future salary growth (1% movement)	45.37	(40.51)	15.83	(15.20)
Demographic Assumptions (1 % movement)	2.89	(3.52)	1.65	(2.03)

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 on 31 March 2021

(Amount in ₹ million)

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	31 March 2021	31 March 2020
Within 1 year	40.27	13.37
1-2 year	42.17	30.50
2-3 year	43.73	26.38
3-4 year	45.35	22.26
4-5 year	45.50	18.53
5-6 year	226.05	15.63
Thereafter	578.40	73.30

Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2021	31 March 2020
For Birlasoft Limited		
Number of active members	9,463	2,626
Per month salary cost for all active members (₹ million)	284.60	103.21
Weighted average duration of the projected benefit obligation (years)	9	5.47
Average expected future service (years)	7	26.59
Projected benefit obligation (PBO)	540.25	199.96

34 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.

35 Leases

Following are the changes in carrying value of right of use assets for year ended 31 March 2021.

Particulars	Category of ROU Assets		
	Land	Office Premises	Total
Right -to use assets as on 01 April 2020	63.29	1,162.51	1,225.80
Addition	-	66.32	66.32
Deletion	-	18.46	18.46
Depreciation	2.48	265.20	267.68
Balance as on 31 March 2021	60.81	945.17	1,005.98

Following are the changes in carrying value of right of assets for year ended 31 March 2020.

Particulars	Category of ROU Assets		
	Land	Office Premises	Total
Balance as on 01 April 2019	-	1,221.44	1,221.44
Reclassified on account of adoption of IND AS 116	54.33	-	54.33
Addition	11.4	239.32	250.72
Deletion		13.25	13.25
Depreciation	2.44	285.00	287.44
Balance as on 31 March 2020	63.29	1,162.51	1,225.80

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in statement of profit and loss

Following is movement in lease liabilities

Particulars	31 March 2021	31 March 2020
Opening Balance	1,277.15	1262.66
Additions	64.88	224.48
Finance cost during the period	100.76	118.81
Deletions	18.55	15.22
Payment of lease liabilities	328.44	313.57
Closing Balance	1,095.80	1,277.15

The following is breakup of current and non-current lease liabilities

Particulars	31 March 2021	31 March 2020
Current lease liabilities	230.54	232.07
Non-current lease liabilities	865.26	1045.08
Total	1,095.80	1,277.15

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	31 March 2021	31 March 2020
Less than one year	315.90	334.16
One to five years	988.31	1016.62
More than five years	14.48	161.35
Total	1,318.69	1512.13

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 2021	31 March 2020
Finance cost on lease liabilities	100.76	118.81
Expense relating to short term leases	11.06	26.12
Expense relating to leases of low value assets excluding short term leases of low value assets	0.02	0.20
Expenses relating to variable lease payments not included in measurement of lease liabilities	11.22	11.54

Amount recognised in statement of cash flows

Particulars	31 March 2021	31 March 2020
Repayment of lease liabilities	328.44	313.56
Total	328.44	313.56

Further, refer note 40 for evaluation of impact of COVID 19.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

36 Basic and diluted earnings per share

Particulars		31 March 2021	31 March 2020
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	1,935.59	1,407.54
Weighted average number of equity shares	No. of shares	278,276,327	276,646,908
Earnings per share - Basic		6.96	5.09
Effect of dilutive potential equity shares-			
Employee stock options	No. of shares	5,889,410	1,806,262
Weighted average number of diluted equity shares	No. of shares	284,165,737	278,453,170
Earnings per share - Diluted	₹	6.81	5.05

37 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 2021	31 March 2020
1	Outstanding bank guarantees in routine course of business	129.45	129.45
2	Income tax matters (Refer note (iii))	693.19	689.49
3	VAT matters (Refer note (ii))	6.42	0.42
4	Service tax matters (excluding interest and penalty)(Refer note (i))	685.45	685.45
5	Other matters (Refer note (iv))	35.15	35.15

Note:

(i) Service tax matters

- a. The Company has received a show cause cum demand notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2014 to March 2015 demanding service tax relating to:
 - ₹ 169.34 million (Previous year ₹ 169.34 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.
 - ₹ 13.07 million (Previous year ₹ 13.07 million) towards the amount of expenditure made in foreign currency in respect of category II and III services.
- b. The Company has received a show cause notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2010 to June 2012 demanding service tax relating to:
 - ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses.

The Company has filed an Appeal with Customs, Excise and Service Tax Appellate Tribunal, Mumbai for all the above matters

- c. Department has filed an appeal against the Company in the following cases:
 - ₹ 469.65 million (Previous year ₹ 469.65 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company for the period October 2006 to March 2014, under the head 'Business Auxiliary Services' and expenditure made in foreign currency in respect of category II and III services with the Hon'ble Supreme Court of India

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

- ₹ 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) VAT matters

- a. Company has received a demand notice of ₹ 6 million (Previous year - nil) from Deputy Commissioner of commercial tax, Noida for the period April 2017 to March 2018 demanding VAT relating to software services. Appeal is filed with Deputy Commissioner (Appeals), Noida.
- b. Company has received demand order of ₹ 0.21 million (Previous year - ₹ 0.21 million) from Assistant Commissioner, Sales Tax, Mumbai towards inadmissible input credit availed for financial year 2008 - 2009. Appeal with Deputy Commissioner (Appeals), Mumbai
- c. Company has received demand order of ₹ 0.21 million (Previous year - ₹ 0.21 million) from Deputy Commissioner, Sales Tax, Pune towards short payment of CST due to challan period mismatch for financial year 2012-2013. Rectification application is filed with Deputy Commissioner, Sales Tax, Pune.

(iii) Income tax matters

The Income Tax Department has filed appeals for various years with Hon'ble Delhi High Court predominantly contesting a) the set off of losses of STP unit against Non STP unit b) deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 and c) the Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 601.90 million.

The Company has filed appeals with various appellate authorities for different assessment years. The key items for which appeals are filed are a) allowability of deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 b) deduction under section 36 of the Income-tax Act, 1961, with respect to deposit of dues c) disallowance of rent equalization reserve d) tax withholding obligations and e) Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 91.29 million

(iv) Other matters

These matters pertain to the Transferor Company acquired pursuant to the composite scheme.

- a. ₹ 19.47 million (excluding interest) arising out of the Order passed by District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 12.98 million for alleged short payment of stamp duty along with penalty of ₹ 6.49 million in respect of the office space taken (since vacated) at D-195, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The matter has been remanded back by Hon'ble Supreme Court to Hon'ble Allahabad High Court for hearing it afresh. The matter is presently pending before Hon'ble Allahabad High Court.
- b. ₹ 7.20 million (excluding interest) arising out of the Order passed by Additional District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 6.20 million for alleged short payment of stamp duty along with penalty of ₹ 1.00 million in respect of the office space taken (since vacated) at H-9, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The Company has filed a Writ petition before Hon'ble Allahabad High Court for quashing of the Order .
- c. ₹ 1.08 million arising out of the Demand Notice issued by Tamil Nadu Electricity Board, Chennai on account of purported short levy due to tariff difference. The Company has filed a Writ petition before the Hon'ble Madras High Court at Chennai, challenging such a demand. The matter is presently pending before the Hon'ble Madras High Court.
- d. ₹ 7.40 million (excluding interest) arising out of recovery suit filed by an ex-employee against the company alleging wrongful termination. The matter is presently pending before Patiala House District Court at Delhi.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

- 2 As per Ind AS 37, the Company has made provision for future lease restoration expense of ₹ 3.41 (Previous year ₹ 3.36 million) in respect leased premises in Noida. The same is expected to be utilized at the end of the lease period in 2026.

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Carrying amount as at beginning of the year	3.36	3.11
2	Additional provision made during the year	0.05	0.25
3	Amount paid/utilized during the year	-	-
4	Carrying amount as at end of the year	3.41	3.36

3 Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 105.22 million (Previous Year ₹ 68.87 million)
b. Intangibles - Nil (Previous Year : Nil)

38 Share based payments

1 Employee Stock Option Plan – 2006

The Board of Directors and the shareholders of the Company approved another Employees Stock Option Plan at their meeting in July 2006 and in August 2006, respectively. Pursuant to this approval, the Company instituted ESOP 2006, Plan in October, 2006. 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 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 2021		31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	784,155	58.14	1,229,650	55.54
Granted during the year	-	-	-	-
Forfeited / surrendered/Adjusted during the year	7,750	53.23	75,695	55.54
Exercised during the year	294,605	57.78	305,600	49.91
Lapsed during the year	21,400	53.23	64,200	49.39
Options outstanding at the end of year	460,400	58.53	784,155	58.14
Options exercisable at the end of the year	460,400	58.53	784,155	58.14

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 187.08 (Previous year ₹ 72.9)

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	8,000	0.00	34,800
₹ 50 to ₹ 100	1.55	452,400	2.62	749,355
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	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 2021 and 31 March 2020.

The Company 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.

2 Employee Stock Option Plan – 2014

The Board of Directors and the shareholders of the Company approved another Employees Stock Option Plan at their meeting in February 2014 and in April 2014, respectively. Pursuant to this approval, the Company instituted ESOP 2014 Plan in April 2014. 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 of ₹ 2 per option. 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 2021		31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	30,000	2.00
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	30,000	2.00
Exercised during the year	-	-	-	-
Options outstanding at the end of year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average share price of the options exercised under Employees Stock Option Scheme -2014 on the date of exercise during the year was NIL (Previous year ₹ NIL)

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	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	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The Company 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.

3 Employee Stock Option Plan – 2015

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in April 2015 and August, 2015, respectively. Pursuant to this approval, the Company instituted ESOP 2015 Plan in August 2015. 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 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 2021		31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	496,800	60.78	547,800	60.58
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	51,000	60.58
Exercised during the year	74,400	66.06	-	-
Lapsed during the year	36,500	58.74	-	-
Options outstanding at the end of year	385,900	59.95	496,800	60.78
Options exercisable at the end of the year	385,900	59.95	496,800	60.78

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ 210.82 (Previous year ₹ Nil)

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	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	1.68	385,900	1.88	496,800
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	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 2021 and 31 March 2020.

The Company 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 Employee Stock Option Plan – 2019

The Board of Directors and the shareholders of the Company approved 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 2021		31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	1,589,016	3.10	4,753,138	3.10
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	21,266	3.10	599,353	3.10
Exercised during the year	577,517	3.10	2,564,769	3.10
Lapsed during the year				
Options outstanding at the end of year	990,233	3.10	1,589,016	3.10
Options exercisable at the end of the year	990,233	3.10	734,548	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 ₹ 133.32.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	3.73	990,233	4.44	1,589,016
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars		31 March 2021	31 March 2020
1.	Exercise price (₹)	NIL	NIL
2.	Price of the underlying share in market at the time of the option grant (₹)	NIL	NIL
3.	Weighted average fair value of options granted (₹)	NIL	NIL
4.	Expected life of the option (years)	NIL	NIL
5.	Risk free interest rate (%)	NIL	NIL
6.	Expected volatility (%)	NIL	NIL
7.	Dividend yield (%)	NIL	NIL

The Company recorded an employee compensation cost of ₹ 14.28 million (Previous year ₹ 60.64 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 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 2021		31 March 2020	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	6,192,931	62.40	-	-
Granted during the year	942,644	183.92	7,094,575	62.46
Forfeited / surrendered during the year	487,000	61.95	901,644	62.82
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	6,648,575	79.66	6,192,931	62.40
Options exercisable at the end of the year	-	-	-	-

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average share price of the options exercised under Share Incentive Plan - 2019 on the date of exercise during the year was ₹ Nil (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	NIL	6.13	6,192,931
₹ 50 to ₹ 100	5.14	5,843,003	NIL	NIL
Greater than 100	6.18	805,572	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars		31 March 2021	31 March 2020
1.	Exercise price (₹)	183.92	62.46
2.	Price of the underlying share in market at the time of the option grant (₹)	183.92	62.46
3.	Weighted average fair value of options granted (₹)	79.20	22.28
4.	Expected life of the option (years)	3.80	4.16
5.	Risk free interest rate (%)	5.02%	6.05%
6.	Expected volatility (%)	54.12%	47.49%
7.	Dividend yield (%)	1.47%	3.23%

The Group recorded an employee compensation cost of ₹ 29.14 million (Previous year ₹ 7.76 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 – 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 2021		31 March 2020	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Units outstanding at the beginning of the year	1,233,647	2.00	-	-
Granted during the year	411,216	2.00	1,644,863	2.00
Forfeited / surrendered during the year	-	-	411,216	2.00
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Units outstanding at the end of year	1,644,863	2.00	1,233,647	2.00
Units exercisable at the end of the year	-	-	-	-

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average share price of the units exercised under Share Incentive Plan – 2019 on the date of exercise during the year was ₹ Nil (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	5.30	1,644,863.00	6.11	1,233,647
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars		31 March 2021	31 March 2020
1.	Exercise price (₹)	2.00	2.00
2.	Price of the underlying share in market at the time of the option grant (₹)	123.83	61.95
3.	Weighted average fair value of options granted (₹)	114.71	52.61
4.	Expected life of the option (years)	3.91	4.16
5.	Risk free interest rate (%)	5.07%	6.04%
6.	Expected volatility (%)	52.59%	47.54%
7.	Dividend yield (%)	2.05%	3.23%

The Group recorded an employee compensation cost of ₹ 30.13 million (Previous year ₹ 8.46 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.

39 Income taxes

The income tax expense consists of following:

Particulars	31 March 2021	31 March 2020
Current tax		
Tax on the profit	761.87	729.49
Total current tax expense (a)	761.87	729.49
Deferred tax		
Atributable to -		
Origination and reversal of temporary differences	174.78	91.65
Total deferred tax expense (b)	174.78	91.65
Total Tax Expense (a + b)	936.65	821.14

The deferred tax relates to origination/reversal of temporary differences.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

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 2021	31 March 2020
Profit before tax	2,872.24	2,228.68
Indian statutory income tax rate	25.17%	34.94%
Expected tax expense	722.94	778.79
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect relating to prior years	(3.18)	(27.86)
MAT credit written off due to change in tax regime	128.03	-
Effect of permanent adjustments	10.39	70.10
Effect of change in tax regime	72.15	-
Effect of differential overseas tax rates	3.04	-
Others (net)	3.28	0.10
Total tax expense	936.65	821.14

Deferred Tax

The gross movement in the deferred income tax account for the year ended 31 March 2021 and 31 March 2020 is as follows:

Particulars	31 March 2021	31 March 2020
Net deferred income tax asset at the beginning	747.65	1,098.89
MAT Credit utilised / written off during the year	(128.03)	(388.93)
Credits / (charge) relating to temporary differences (net)	33.99	(76.97)
Effect of change in tax rate (refer note below)	(72.15)	-
Temporary differences on other comprehensive income	(116.95)	114.66
Effect of change in tax rate on other comprehensive income (refer note below)	(28.77)	-
Net deferred income tax asset at the end	435.74	747.65

The charge relating to temporary differences during the year ended March 31, 2021 are primarily on account of provision for doubtful debts & bad debts, provision for gratuity, compensated absences, derivative contracts, property, plant and equipment, transaction cost and lease rentals. The credit relating to temporary differences during the year ended March 31, 2020 are primarily on account of provision for doubtful debts & bad debts, provision for gratuity, compensated absence, property, plant and equipment, derivative contracts, transaction cost and lease rentals.

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Act, 2019, allowed an option to the domestic companies to switch to a lower tax rate structure of 22% (25.17% including surcharge and cess) from the earlier 30% (34.944% including surcharge and cess) subject to condition that the Company will not avail any of the specified deductions / incentives under the Income Tax Act. The Company has elected to switch to the new lower tax rate structure with effect from the financial year 2020-21. The effect of this change in accounting estimate has been recognised in tax expense for the Year ended March 31, 2021, resulting in recognition of Deferred tax expense of ₹ 229 Million on account of MAT credit balance written off and re-measurement of deferred tax asset/ liabilities. The effect of this change has also resulted in decrease in current tax expense of ₹ 292 Million which has been recognized during the Year ended March 31, 2021.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

40 The Company has evaluated the impact of COVID 19 on the standalone financial statements as on 31 March 2021 as below:

1 Revenue from operations

The Company has evaluated the impact of COVID-19 resulting from (a) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (b) onerous obligations; (c) penalties relating to breaches of service level agreements; (d) volume discounts, and (e) termination/deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. Based on the evaluation, the Group has concluded that the impact of COVID – 19 is not material for the year. The Company would continue to assess the impact of COVID-19 as we go along due to uncertainties associated with its nature and duration.

2 Right of use assets (Lease Arrangements)

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and the Company does not expect any change due to global pandemic in the terms of lease arrangements including renewal options assessed in this regard while assessing the Right to use assets.

3 Financial Instruments

a. Cashflow Hedge

The Company basis their assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID – 19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

b. Trade Receivables and Contract assets including Unbilled revenue

Trade receivables and contract assets including unbilled revenue, have been valued after making allowance for expected credit losses based on factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals, geographies, considering impact of COVID – 19 on customers and related customer verticals and geographies. In addition the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

c. Fair Valuation

Assets measured using level 1 inputs primarily include investment securities in liquid debt funds and the fair value being marked to an active market which factors the impact of COVID-19, we do not expect material volatility in these financial assets.

Assets and liabilities measured using level 2 inputs which include derivative financial instruments and financial assets measured at amortised cost which include cash and cash equivalents and deposits with banks and corporations, have been assessed basis counterparty credit risk.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

4 Deferred Tax asset

The Company has considered the impact of COVID-19 in preparing revenue and profit projections. On the basis of these projections, the Company believes that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

5 Going Concern

The Company has prepared cashflow projections for the foreseeable future after considering the impacts of COVID-19. Further, the Company carries cash and cash equivalents of ₹ 1,560.87 million other bank balances of ₹ 5,769.05 million and has unutilized working capital limits of ₹ 2,787.00 million as at March 31, 2021. Accordingly, the management has assessed that the going concern assumption is appropriate for the Company.

41 Other disclosures and explanatory notes

- The Company was required to spend ₹ 43.37 million towards Corporate Social Responsibility. During the year the Company has spent and paid ₹ 52.79 million (Previous year ₹ 41.75 million) towards Corporate Social Responsibility, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset.

Particulars	31 March 2021	31 March 2020
A. Gross amount required to be spent by the company during the year	43.37	41.14
B. Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purpose other than (i) above	52.79	41.75

- The Company has established a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act 1961. The Company is in the process of updating the documentation for the Financial Year 2020-2021.

The management is of the opinion that international transactions are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 21, 2021

**For and on behalf of the Board of Directors of
BIRLASOFT LIMITED**
CIN: L72200PN1990PLC059594

Dharmander Kapoor
CEO & Managing Director
DIN: 08443715
Place: Faridabad
Date: May 21, 2021

Sneha Padve
Company Secretary
Place: Pune
Date: May 21, 2021

Amita Birla
Chairman
DIN: 00837718
Place: London
Date: May 21, 2021

Chandrasekar Thyagarajan
Chief Financial Officer
Place: Bengaluru
Date: May 21, 2021

Independent Auditors' Report

To the Members of
Birlasoft Limited

Report on the Audit of 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 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive

income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition in respect of fixed price contracts (See note 1.3 and 30 to the consolidated financial statements)</p> <p>The Group engages into fixed-price contracts with customers. In respect of fixed-price contracts other than maintenance and support service contracts, revenue is recognized using percentage of completion computed as per the input method. This is based on the Group's estimate of contract costs and efforts for completion of contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.</p>	<p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of the systems, processes and controls implemented by the Group and evaluating the design and implementation of internal controls for measuring and recording revenue and the associated contract assets and unearned revenue.• Testing the design and operating effectiveness of key IT controls over IT environment in which the business systems operate. This includes access controls, program change controls, program development controls and IT operation controls;

The key audit matter	How the matter was addressed in our audit
<p>Contract estimates are formed by the Group considering the following:</p> <ul style="list-style-type: none"> • Application of the revenue recognition accounting standard is complex. It involves a number of key judgements and estimates. One of the key estimates is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. • There is judgement involved in identification of distinct performance obligations and determination of transaction price for such performance obligations. • COVID 19 pandemic may impact the total revenue and costs to complete the contracts. In some cases, Group's contract interests are adequately protected. In other cases, there may be possible significant risks though the Group is cautious of them. • These contracts may involve onerous obligations on the Group requiring critical estimates to be made. • Contracts are subject to modification to account for changes in contract specification and requirements. • At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet representing the work completed, costs incurred and accrued. <p>Considering the significant estimate involved in recognition of revenue based on percentage of completion method in respect of fixed price contracts, we have considered this as key audit matter.</p>	<ul style="list-style-type: none"> • For selected samples of contracts, we inspected the terms of the contract and assessed the revenue recognized in accordance with Ind AS by: <ul style="list-style-type: none"> ➤ Evaluating the identification of performance obligations. ➤ Agreeing the transaction price to the underlying contracts. ➤ Inspecting the approval of the estimates of cost to complete. ➤ Evaluating the impact of COVID 19 pandemic on the total revenue and the cost to complete the contract. ➤ Challenging the Group's estimate of contract cost through a retrospective comparison of costs incurred with budgeted costs. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. ➤ Assessing the work in progress (contract assets) on the balance sheet date by inspecting the underlying invoices and signed agreements on sample basis to identify possible delays in achieving milestones. Those may require change in estimated costs to complete the remaining performance obligations. ➤ Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, actual costs incurred, and invoices raised on customers. Also, checked the related revenue, contract costs, provision for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the requirements of Ind AS 115. ➤ Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. We also performed analytical procedures on contract assets with little or no movement in invoicing from previous periods.

The key audit matter	How the matter was addressed in our audit
<p>Impairment of Goodwill (Refer note 1.8(b)(ii) and 39 to the consolidated financial statements)</p> <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, including the possible effects of COVID-19 pandemic, which are the basis of the assessment of recoverability. Considering the significant judgement involved, impairment of goodwill is identified as a key audit matter.</p>	<p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> • Assessing Group’s evaluation of identification of cash generating units and allocation of goodwill to the respective Vertical Business Units (VBU); • Evaluating the Group’s assessment of recoverable amount and impairment assessment for goodwill; • Testing the arithmetical accuracy of the cash flow projections and impairment assessment made by the Group; • We challenged the Group’s assumptions used in impairment analysis, such as projected EBITDA & revenue growth rate, terminal growth rates and discount rates, including consideration of impact of COVID 19 by: <ul style="list-style-type: none"> ➤ comparing the same to externally derived data and industry comparators, where available; ➤ assessing the sensitivity of assumptions on the impairment assessment; ➤ comparing the forecasts against the historical performance. <p>This was based on our knowledge of the Group and the markets in which the Vertical Business Units operate. We took assistance of our valuations team for above testing;</p> <ul style="list-style-type: none"> • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates and the discount rate used in determining the recoverable value; • Evaluating the adequacy of the disclosures of key assumptions and judgements.

Information Other than the Consolidated Financial Statements and Auditors’ Report Thereon

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of 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 financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial information of two subsidiaries, whose financial information reflect total assets of ₹ 842.4 million as at 31 March 2021, total revenues of ₹ 975.93 million and net cash flows amounting to ₹ 215.21 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-sections (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 the above matters with respect to our reliance on the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of separate financial information, as were certified by the management, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

Annexure A to the Independent Auditors' report on the consolidated financial statements of Birlasoft Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 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 the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Birlasoft Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/ W-100022

Swapnil Dakshindas

Partner

Place: Pune

Date : 21 May 2021

Membership No. 113896

UDIN: 21113896AAAACY5392

Consolidated Balance Sheet as at 31 March 2021

(Amount in ₹ million)

	NOTE	31 MARCH 2021	31 MARCH 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2A	1,221.08	1,410.77
Right-of-use assets	2B	1,179.05	1,389.41
Capital work-in-progress		65.47	23.50
Goodwill	2C	4,476.28	4,541.47
Other intangible assets	2D	105.09	168.21
Financial assets			
Loans	3	143.92	147.43
Other financial assets	4	209.14	34.76
Income tax assets (net)		422.43	957.77
Deferred tax assets (net)	5	882.01	1,200.12
Other non-current assets	6	187.08	115.36
		8,891.55	9,988.80
Current assets			
Financial assets			
Investments	7	553.17	330.02
Trade receivables	8	5,182.31	7,401.90
Cash and cash equivalents	9	4,660.92	4,495.65
Other balances with banks	9	5,769.05	1,805.40
Loans	10	34.58	21.38
Unbilled revenue	30(b)	1,135.40	737.74
Other financial assets	11	592.10	355.73
Other current assets	12	3,125.36	1,736.70
		21,052.89	16,884.52
TOTAL ASSETS		29,944.44	26,873.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	554.57	553.42
Other equity	29	21,244.72	18,370.81
Total equity		21,799.29	18,924.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14	998.83	1,139.65
Provisions	15	802.78	695.34
		1,801.61	1,834.99
Current liabilities			
Financial liabilities			
Trade payables	16		
- Outstanding dues of micro enterprises and small enterprises		18.95	4.34
- Outstanding dues of creditors other than micro enterprises and small enterprises		1,298.60	1,899.39
Lease liabilities	17	282.27	310.62
Other financial liabilities	18	2,098.66	1,931.51
Other current liabilities	19	1,853.47	1,190.20
Provisions	20	237.18	194.74
Income tax liabilities (net)		554.41	583.30
		6,343.54	6,114.10
TOTAL EQUITY AND LIABILITIES		29,944.44	26,873.32
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: May 21, 2021

For and on behalf of the Board of Directors of

BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place: Faridabad

Date: May 21, 2021

Sneha Padve

Company Secretary

Place: Pune

Date: May 21, 2021

Amita Birla

Chairman

DIN: 00837718

Place: London

Date: May 21, 2021

Chandrasekar Thyagarajan

Chief Financial Officer

Place: Bengaluru

Date: May 21, 2021

Consolidated Statement of Profit and Loss for the year ended on 31 March 2021

(Amount in ₹ million)

	NOTE	31 MARCH 2021	31 MARCH 2020
Revenue from operations	21	35,557.20	32,909.69
Other income (net)	22	189.81	429.91
Total income		35,747.01	33,339.60
Expenses			
Employee benefits expense	23	21,158.06	19,975.41
Finance costs	24	130.44	161.27
Depreciation and amortization expense	2	803.71	825.79
Other expenses	25	9,106.81	9,015.09
Total expenses		31,199.02	29,977.56
Profit before tax		4,547.99	3,362.04
Tax expense	38		
Current tax		1,172.95	1,111.64
Deferred tax (benefit)/charge		166.73	6.92
Total tax expense		1,339.68	1,118.56
Profit for the year		3,208.31	2,243.48
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		1.20	(42.02)
Income tax on items that will not be reclassified to profit or loss		(0.31)	14.69
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(212.78)	679.43
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		464.58	(329.84)
Income tax on items that will be reclassified to profit or loss		(145.70)	114.66
Total other comprehensive income		106.99	436.92
Total comprehensive income for the year		3,315.30	2,680.40
Profit attributable to			
Owners of the Company		3,208.31	2,243.48
Non-controlling interests		-	-
Profit for the year		3,208.31	2,243.48
Other comprehensive income attributable to			
Owners of the Company		106.99	436.92
Non-controlling interests		-	-
Other comprehensive income for the year		106.99	436.92
Total comprehensive income attributable to			
Owners of the Company		3,315.30	2,680.40
Non-controlling interests		-	-
Total comprehensive income for the year		3,315.30	2,680.40
Earnings per equity share (face value per share ₹ 2 each)			
Basic	35	11.53	8.11
Diluted	35	11.29	8.06
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: May 21, 2021

For and on behalf of the Board of Directors of BIRLASOFT LIMITED
CIN: L72200PN1990PLC059594

Dharmander Kapoor
CEO & Managing Director
DIN: 08443715
Place: Faridabad
Date: May 21, 2021

Amita Birla
Chairman
DIN: 00837718
Place: London
Date: May 21, 2021

Sneha Padve
Company Secretary
Place: Pune
Date: May 21, 2021

Chandrasekar Thyagarajan
Chief Financial Officer
Place: Bengaluru
Date: May 21, 2021

Consolidated Statement of Cash Flows for the year ended on 31 March 2021

(Amount in ₹ million)

PARTICULARS	31 March 2021	31 March 2020
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	3,208.31	2,243.48
Adjustments for		
Income tax expense	1,339.68	1,118.56
(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	0.51	(4.70)
Depreciation / Amortization	803.71	825.79
Interest expense	130.44	161.27
Interest income	(231.15)	(99.43)
Dividend income	(2.78)	-
Gain on sale / redemption of mutual funds	(3.79)	(80.54)
Fair value loss on financial assets (investments) at fair value through profit or loss	(3.19)	16.96
Provision for doubtful debts and advances (net)	45.59	55.68
Bad debts written off	141.21	281.22
Share based compensation expenses	112.38	96.39
Unrealised foreign exchange loss/(gain)	(140.96)	198.69
Operating Profit before working capital changes	5,399.96	4,813.37
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	1,588.67	(218.95)
Loans, other financial assets and other assets	(1,463.18)	671.02
Trade Payables	(545.90)	(272.33)
Other financial liabilities, other liabilities and provisions	1,265.37	(1,089.24)
Cash generated from / (used in) operations	6,244.92	3,903.87
Income taxes paid	(666.50)	(804.81)
Net cash generated from / (used in) operating activities (A)	5,578.42	3,099.06
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(248.72)	(543.55)
Proceeds from sale of property, plant and equipment	2.35	25.04
Sale of investments carried at fair value through profit and loss (net)	(216.17)	1,642.53
Interest received	153.82	42.81
Dividend received	2.78	-
Fixed Deposit with banks (net) having original maturity over three months	(4,138.52)	(1,604.33)
Net cash (used in) / generated from investing activities (B)	(4,444.46)	(437.50)

Consolidated Statement of Cash Flows for the year ended on 31 March 2021

(Amount in ₹ million)

PARTICULARS	31 March 2021	31 March 2020
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and application money	1.61	7.95
Repayment of Working Capital loan (net)	-	(381.15)
Repayment of lease liabilities	(394.87)	(394.02)
Dividend paid including corporate dividend tax	(554.22)	(995.96)
Interest and finance charges paid	(21.21)	(33.69)
Net cash used in financing activities (C)	(968.69)	(1,796.87)
D] Exchange differences on translation of foreign currency cash and cash equivalents	-	14.15
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C + D)	165.27	878.84
Cash and cash equivalents at close of the year (Refer note 1 below)	4,660.92	4,495.65
Cash and cash equivalents at beginning of the year (Refer note 1 below)	4,495.65	3,616.81
Cash surplus / (deficit) for the year	165.27	878.84
Note 1:		
Cash and cash equivalents include:		
Cash on hand	-	0.14
Cheques in hand	27.72	137.77
Balance with banks		
- In current accounts	3,062.44	4,331.61
- In deposit accounts (with original maturity of 3 months or less)	1,570.76	26.13
Total Cash and cash equivalents	4,660.92	4,495.65
Note 2:		
Figures in brackets represent outflows of cash and cash equivalents.		
Note 3:		
The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind-AS) 7 on statement of cash flows.		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 21, 2021

For and on behalf of the Board of Directors of BIRLASOFT LIMITED
CIN: L72200PN1990PLC059594

Dharmander Kapoor
CEO & Managing Director
DIN: 08443715
Place: Faridabad
Date: May 21, 2021

Sneha Padve
Company Secretary
Place: Pune
Date: May 21, 2021

Amita Birla
Chairman
DIN: 00837718
Place: London
Date: May 21, 2021

Chandrasekar Thyagarajan
Chief Financial Officer
Place: Bengaluru
Date: May 21, 2021

Consolidated Statement of changes in equity for the year ended on 31 March 2021

A Equity share capital

	(Amount: in ₹ million)	
	Amount	Amount
Balance as at 01 April 2019	548.29	548.29
Changes in equity share capital during 2019-20	5.13	5.13
Balance as at 31 March 2020	553.42	553.42
Changes in equity share capital during 2020-21	1.15	1.15
Balance as at 31 March 2021	554.57	554.57

B Other equity

	Share application money pending allotment	Reserves & surplus					Items of other comprehensive income			Equity attributable to owners of the Company	Total equity		
		Capital Reserve	Capital redemption reserve	Securities premium reserve	Share based payment reserve	General reserve	Amalgamation reserve	Retained earnings	Re measurement of the net defined benefit Plans (Refer note 31 (3))			Foreign currency translation reserve	Effective portion of cash flow hedges (Refer note 26.3)
Balance as on 01 April 2019	-	458.64	40.00	3,994.30	360.93	179.77	51.40	11,187.18	(43.63)	334.88	23.69	16,587.16	16,587.16
Profit for the year	-	-	-	-	-	-	-	2,243.48	(27.33)	67943	-	2,243.48	2,243.48
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	(215.18)	436.92	436.92
Total comprehensive income for the year	-	-	-	-	-	-	-	2,243.48	(27.33)	67943	(215.18)	2,680.40	2,680.40
Transactions with owners recognised directly in equity													
Dividends	-	-	-	-	-	-	-	(826.14)	-	-	-	(826.14)	(826.14)
Dividend distribution tax	-	-	-	-	-	-	-	(169.82)	-	-	-	(169.82)	(169.82)
Share based payments to employees	-	-	-	-	96.39	-	-	-	-	-	-	96.39	96.39
Transfer from share based payment Reserve	-	-	-	243.40	(316.42)	-	-	75.84	-	-	-	2.82	2.82
Balance as on 31 March 2020	-	458.64	40.00	4,237.70	140.90	179.77	51.40	12,510.54	(70.96)	1,014.31	(191.49)	18,370.81	18,370.81
Balance as on 01 April 2020	-	458.64	40.00	4,237.70	140.90	179.77	51.40	12,510.54	(70.96)	1,014.31	(191.49)	18,370.81	18,370.81
Profit for the year	-	-	-	-	-	-	-	3,208.31	0.89	(212.78)	318.88	3,208.31	3,208.31
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	106.99	106.99
Total comprehensive income for the year	-	-	-	-	-	-	-	3,208.31	0.89	(212.78)	318.88	3,315.30	3,315.30
Transactions with owners recognised directly in equity													
Dividends	-	-	-	-	-	-	-	(554.23)	-	-	-	(554.23)	(554.23)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments to employees	-	-	-	-	112.38	-	-	-	-	-	-	112.38	112.38
Application money received during the year	0.46	-	-	-	-	-	-	-	-	-	-	0.46	0.46
Transfer from share based payment Reserve	-	-	-	53.66	(53.66)	-	-	-	-	-	-	-	-
Balance as on 31 March 2021	0.46	458.64	40.00	4,291.36	199.62	179.77	51.40	15,164.62	(70.07)	801.53	127.39	21,244.72	21,244.72

Significant accounting policies

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

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As per our report of even date attached

For BS R & Co. LLP
Chartered Accountants
Firm Registration Number :101248W/W-100022

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 21, 2021

For and on behalf of the Board of Directors of BIRLASOFT LIMITED
CIN: L72200PN1990PLC059594

Dharmender Kapoor
CEO & Managing Director
DIN: 08443715
Place: Faridabad
Date: May 21, 2021

Amita Birta
Chairman
DIN: 00837718
Place: London
Date: May 21, 2021

Sneha Padve
Company Secretary
Place: Pune
Date: May 21, 2021

Chandrasekar Thyagarajan
Chief Financial Officer
Place: Bengaluru
Date: May 21, 2021

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

Group Overview

Birlasoft Limited (Erstwhile KPIT Technologies 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. Most of the revenue is generated from the export of services.

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 21 May 2021.

1. Significant accounting policies

1.1 Basis of consolidation

The Consolidated Financial Statements relate to Birlasoft Limited (Erstwhile KPIT Technologies Limited) ("the Company"), its subsidiary companies which constitutes "the Group".

a. Basis of preparation of consolidated financial statements

- i. 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 2021.
- ii. 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 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 business combination (other than business combination under common control), 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.

Use of estimates

The preparation of consolidated financial statements requires the management of the group to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

i. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

ii. Income tax & Deferred tax

The Group's two major tax jurisdictions are India and the U.S., though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

iii. Business combinations

Business combinations are accounted for using Ind-AS 103, Business Combinations. Ind-AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

iv. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows 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 33 and 39 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.

vii. Estimation uncertainties relating to the COVID-19 pandemic

The Group has considered the possible effects that may result from COVID 19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Group based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established. Considering the fact that the global situation is evolving day by day with new facts and numbers, the impact of the pandemic on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

b. Principles of consolidation:

The Consolidated financial statements have been prepared on the following basis:

- i. The financial statements of all entities are drawn up to same reporting date as that of the parent group i.e. 31 March 2021 for the purpose of preparation of consolidated financial statements.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

- ii. 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.
- iii. 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.
- iv. 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. Alternatively, where the share of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary companies, on the acquisition date, is in excess of cost of acquisition, it is immediately recognized as gain in the Statement of Profit and Loss in the consolidated financial statements.
- v. 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.
- 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.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

d. Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. 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.

1.2 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Group's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Group is less than twelve months.

1.3 Revenue recognition

The Group earns revenue primarily from providing IT services, consulting and business solutions. The Group offers a consulting-led, integrated portfolio of IT.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.
- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the Group is acting as an agent."

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Unearned revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography and business horizontals.

Use of significant judgements in revenue recognition

- i. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- ii. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

- iii. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- iv. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- v. Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- vi. Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment 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.

1.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

1.5 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.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

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 estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Buildings ⁽¹⁾	25
Plant and equipment ⁽¹⁾	3-4
Office Equipment ⁽¹⁾	5-10
Owned Vehicle ⁽¹⁾	5
Furniture and fixtures ⁽¹⁾	7-10

⁽¹⁾ For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

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

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 or Loss.

b. Non- financial assets

i. Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.9 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

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.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

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 transactions occur. The resulting exchange differences are accumulated in 'foreign currency translation reserve' in the Statement of Changes in Equity through Other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the foreign currency translation reserve which relates to that operation is reclassified from equity to the Statement of Profit and Loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

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 on 31 March 2021

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.

Minimum Alternate Tax

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Act, 2019, allowed an option to the domestic companies to switch to a lower tax rate structure of 22% (25.17% including surcharge and cess) from the earlier 30% (34.944% including surcharge and cess) subject to condition that the Company will not avail any of the specified deductions / incentives under the Income Tax Act including credit for Minimum Alternate Tax ('MAT'). The Company has elected to switch to the new lower tax rate structure with effect from the financial year 2020-21. Consequently, the Company will not claim MAT credit for the financial year 2020-21 and all the MAT credit balances have been written off.

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 –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- b. Present obligations that arise from past events but are not recognized because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the consolidated financial statements since this may result in the recognition of income that may never be realized.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

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.

Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, as per the contractual requirements, for certain products/licenses. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Group estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

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 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 1.6.

1.16 Employee stock option

In respect of stock options granted pursuant to the Group's Employee Stock Option Scheme, the Group recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.17 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model 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.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Group does not use derivative financial instruments for speculative purposes. The counter-party to the Group's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Group's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

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

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognized in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

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.

iii) Treasury Shares

When any entity within the Group purchases the Group's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

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:

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

For assets and liabilities that are 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.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

1.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.20 Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.21 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

2A Property, plant and equipment

	Land (Leasehold)	Building	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Vehicles		Office Equipments	Total
						Leased	Owned		
Gross carrying amount as at 01 April 2019	63.76	386.03	814.57	1,332.48	193.55	5.03	10.23	364.57	3,170.22
Reclassified on account of adoption of IND AS 116	63.76	-	-	-	-	-	-	-	63.76
Additions	-	-	186.44	149.24	6.86	-	-	28.03	370.57
Foreign exchange translation	-	0.31	1.35	13.05	4.16	-	0.07	12.82	31.76
Disposal/retirements/derecognition	-	-	2.86	4.92	2.82	-	-	14.23	24.83
Gross carrying amount as at 31 March 2020	-	386.34	999.50	1,489.85	201.75	5.03	10.30	391.19	3,483.96
Accumulated depreciation as at 01 April 2019	9.43	85.02	286.47	1,004.08	121.07	5.03	9.43	205.44	1,725.97
Reclassified on account of adoption of IND AS 116	9.43	-	-	-	-	-	-	-	9.43
Depreciation	-	20.58	107.73	179.62	16.96	-	0.19	28.45	353.53
Foreign exchange translation	-	0.05	0.83	11.90	6.95	-	0.10	5.24	25.07
Disposal/retirements/derecognition	-	-	2.13	4.70	2.05	-	-	13.07	21.95
Accumulated depreciation as at 31 March 2020	-	105.65	392.90	1,190.90	142.93	5.03	9.72	226.06	2,073.19
Gross carrying amount as at 01 April 2020	-	386.34	999.50	1,489.85	201.75	5.03	10.30	391.19	3,483.96
Additions	-	2.83	20.13	165.07	0.77	-	-	11.46	200.26
Foreign exchange translation	-	0.05	(0.48)	(4.04)	(1.14)	-	(0.01)	(2.03)	(7.65)
Disposal/retirements/derecognition	-	-	-	0.04	0.45	-	0.75	8.17	9.41
Gross carrying amount as at 31 March 2021	-	389.22	1,019.15	1,650.84	200.93	5.03	9.54	392.45	3,667.16
Accumulated depreciation as at 01 April 2020	-	105.65	392.90	1,190.90	142.93	5.03	9.72	226.06	2,073.19
Depreciation	-	20.61	141.23	179.73	14.90	-	0.19	29.71	386.37
Foreign exchange translation	-	0.09	(0.40)	(3.67)	(0.92)	-	(0.41)	(1.62)	(6.93)
Disposal/retirements/derecognition	-	-	-	0.03	0.22	-	0.75	5.55	6.55
Accumulated depreciation as at 31 March 2021	-	126.35	533.73	1,366.93	156.69	5.03	8.75	248.60	2,446.08
Carrying amount as at 31 March 2020	-	280.69	606.60	298.95	58.82	-	0.58	165.13	1,410.77
Carrying amount as at 31 March 2021	-	262.87	485.42	283.91	44.24	-	0.79	143.85	1,221.08

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

2B Right-of-use assets

	Office Premises	Land	Total
Recognised on adoption of Ind AS 116 as at 01 April 2019	1,462.24	-	1,462.24
Reclassified on account of adoption of IND AS 116	-	63.76	63.76
Additions	248.14	11.40	259.54
Foreign exchange translation	22.04	-	22.04
Disposal/retirements/derecognition	59.87	-	59.87
Gross carrying amount as at 31 March 2020	1,672.55	75.16	1,747.71
Reclassified on account of adoption of IND AS 116	-	9.43	9.43
Depreciation	364.95	2.44	367.39
Foreign exchange translation	4.70	-	4.70
Disposal/retirements/derecognition	23.22	-	23.22
Accumulated depreciation as at 31 March 2020	346.43	11.87	358.30
Gross carrying amount as at 01 April 2020	1,672.55	75.16	1,747.71
Additions	250.02	-	250.02
Foreign exchange translation	6.96	-	6.96
Disposal/retirements/derecognition	133.11	-	133.11
Gross carrying amount as at 31 March 2021	1,796.42	75.16	1,871.58
Accumulated depreciation as at 01 April 2020	346.43	11.87	358.30
Depreciation	336.70	2.48	339.18
Foreign exchange translation	10.70	-	10.70
Disposal/retirements/derecognition	15.65	-	15.65
Accumulated depreciation as at 31 March 2021	678.18	14.35	692.53
Carrying amount as at 31 March 2020	1,326.12	63.29	1,389.41
Carrying amount as at 31 March 2021	1,118.24	60.81	1,179.05

2C Goodwill on consolidation

Particulars	31 March 2021	31 March 2020
Carrying amount at the commencement of the year	4,541.47	4,219.15
Foreign exchange translation	(65.19)	322.32
Carrying amount at the end of the year	4,476.28	4,541.47

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

2D Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 01 April 2019	330.97	789.15	1,120.12
Additions	-	73.54	73.54
Foreign exchange translation	27.08	5.48	32.56
Disposal/retirements/derecognition	24.52	-	24.52
Gross carrying amount as at 31 March 2020	333.53	868.17	1,201.70
Accumulated amortisation as at 01 April 2019	236.98	665.59	902.57
Amortisation	44.55	60.32	104.87
Foreign exchange translation	23.94	9.17	33.11
Disposal/retirements/derecognition	7.06	-	7.06
Accumulated amortisation as at 31 March 2020	298.41	735.08	1,033.49
Gross carrying amount as at 01 April 2020	333.53	868.17	1,201.70
Additions	-	15.01	15.01
Foreign exchange translation	(8.16)	(1.26)	(9.42)
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2021	325.37	881.92	1,207.29
Accumulated amortisation as at 01 April 2020	298.41	735.08	1,033.49
Amortisation	26.53	51.63	78.16
Foreign exchange translation	(9.03)	(0.42)	(9.45)
Disposal/retirements/derecognition	-	-	-
Accumulated amortisation as at 31 March 2021	315.91	786.29	1,102.20
Carrying amount as at 31 March 2020	35.12	133.09	168.21
Carrying amount as at 31 March 2021	9.46	95.63	105.09

3 Loans

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans and advances to other than related parties		
Security deposits	143.92	147.43
	143.92	147.43

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk and credit risk is disclosed in note 26.

4 Other financial assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Fixed deposits with banks	206.23	30.98
Margin money deposits	2.74	2.83
Interest accrued on fixed deposits	0.17	0.95
	209.14	34.76

Note:

(i) Information about the Group's exposure to interest rate risk, foreign currency risk, credit risk and liquidity risk is disclosed in note 26.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

5 Deferred tax assets

Particulars	31 March 2021	31 March 2020
Deferred tax assets		
- Provision for doubtful debts and advances	95.73	110.99
- Provision for compensated absences	155.35	132.16
- Provision for gratuity	85.44	97.47
- Gratuity fund plan liabilities	-	4.07
- Excess of depreciation/amortisation on property, plant and equipment provided in books over depreciation/amortisation as under income-tax law.	185.73	160.27
- Forward contracts designated as cash flow hedges	-	102.86
- Transaction cost	109.10	184.71
- Accrued expenses	6.66	131.50
- Unearned revenue	3.96	-
- Lease liabilities	317.39	388.72
- Others (mainly includes employee related provision)	262.52	141.91
- MAT credit entitlement	-	128.03
	1,221.88	1,582.69
Deferred tax liabilities		
- Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	8.14	7.62
- Forward contracts designated as cash flow hedges	42.85	-
- Right-of-use assets	276.89	358.12
- Others	11.99	16.83
	339.87	382.57
Net deferred tax asset	882.01	1,200.12

6 Other non-current assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances	2.24	0.58
Prepaid expenses	80.34	7.70
Contract Fulfillment Cost	79.86	85.22
Balance in Group Gratuity Trust Account	24.64	21.86
	187.08	115.36

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

7 Current investments

Particulars	31 March 2021	31 March 2020
Investments in equity instruments of other entities measured at fair value through profit or loss (unquoted)		
Saraswat Co-operative Bank Limited	0.00*	0.00*
1 (Previous year 1) equity share of ₹ 10 each fully paid up		
Investments in Mutual funds measured at fair value through Profit or Loss (quoted)		
307,372 units (Previous year 314,846 units) Aditya Birla Sun Life Liquid Fund - Growth Regular plan	101.22	100.04
Nil Unit (Previous year 44,077 units) - Axis Liquid Fund - Direct Plan Growth	-	96.71
36,381 units (Previous year Nil units) Kotak Liquid Fund Regular Growth	150.65	-
495,072 units (Previous year 342,074 units) ICICI Prudential Liquid Fund - Growth	150.03	100.06
53,904 units (Previous year 12,250 units) L&T Liquid Fund Regular Growth	151.27	33.21
	553.17	330.02

* Since denominated in ₹ Million

Note:

- (i) The details of aggregate value of quoted/unquoted investments and the Company's exposure to liquidity risk and credit risk are disclosed in note 27.

8 Trade receivables

Particulars	31 March 2021	31 March 2020
<i>(Unsecured)</i>		
Trade Receivables considered good	5,182.31	7,401.90
Trade Receivables - credit impaired	409.17	369.59
	5,591.48	7,771.49
Less: Allowances for bad and doubtful trade receivables	409.17	369.59
	5,182.31	7,401.90

Notes:

- (i) Trade receivables from related parties are disclosed in note 33.
(ii) The Group's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 26.

9 Cash and bank balances

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents		
- Cash on hand	-	0.14
- Cheques in hand	277.2	137.77
Balances with banks		
- In current accounts	3,062.44	4,331.61
- In deposit accounts (with original maturity of 3 months or less)	1,570.76	26.13
	4,660.92	4,495.65
Other bank balances (includes unclaimed dividend of ₹ 8.26 million (Previous year ₹ 7.97 million))	5,769.05	1,805.40
	10,429.97	6,301.05

Note:

- (i) Information about the Group's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 26.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

10 Loans

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans and advances to other than related parties		
Other loans and advances		
Security deposits		
- Considered good	34.52	21.32
- Credit impaired	2.03	2.03
	36.55	23.35
Less: Allowance for doubtful advances	2.03	2.03
	34.52	21.32
- Other receivables	0.06	0.06
	34.58	21.38

Note:

(i) Information about the Group's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 26.

11 Other current financial assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Interest accrued on fixed deposits	118.28	52.81
Forward contracts		
- designated as cash flow hedges	170.23	-
Other receivables	303.59	302.92
	592.10	355.73

Note:

(i) Information about the Group's exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk is disclosed in note 26.

12 Other current assets

Particulars	31 March 2021	31 March 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Contract assets -from fixed price contracts (Refer note 30(b))	2,460.00	1,033.10
Advance to suppliers	49.24	66.95
Employee advances		
- Considered good	26.14	85.75
- Credit impaired	18.57	44.53
	44.71	130.28
Less: Provision for doubtful advances	18.57	44.53
	26.14	85.75
Balances with statutory authorities	203.47	296.51
Prepaid expenses	375.96	240.87
Contract Fulfillment Cost	2.46	11.50
Others	8.09	2.02
	3,125.36	1,736.70

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

13 Equity share capital

Particulars	31 March 2021	31 March 2020
Authorised:		
870,000,000 (Previous year 870,000,000) equity shares of ₹ 2 each.	1,740.00	1,740.00
	1,740.00	1,740.00
Issued subscribed and fully paid up:		
277,286,094 (Previous year 276,708,577) equity shares of ₹ 2 each fully paid up	554.57	553.42
	554.57	553.42

13.1 The Company declares and pays dividends in Indian rupees. Interim dividend was declared by Board of Directors for previous year in their meeting held on November 05, 2020. The interim dividend distributed to the members of the Company is ₹ 277.12 million (previous year ₹ 333.59 million i.e. ₹ 1.00 per share) i.e. ₹ 1.00 per share of face value of ₹ 2 per share.

The dividend proposed to be distributed to equity shareholders for the year ended 31 March 2021 is ₹ 2.50 per share (Previous year ₹ 1.00 per share). The dividend proposed by the Board of Directors in the meeting held on 21 May 2021 is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividends during the year ended 31 March 2021 include ₹ 277.11 million i.e. ₹ 1.00 per share towards final dividend for the year ended 31 March 2020 and ₹ 277.12 million i.e. ₹ 1.00 per share towards interim dividend for the year ended 31 March 2021. Dividends during the year ended 31 March 2020 include ₹ 549.43 i.e. ₹ 2.00 per share towards final dividend for the year ended 31 March 2019 and ₹ 276.71 i.e. ₹ 1.00 per share towards interim dividend for the year ended 31 March 2020.

13.2 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.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	(₹)	Number of shares	(₹)
Equity shares				
At the beginning of the year	276,708,577	553.42	274,143,808	548.29
Add: Shares issued on exercise of employee stock options	577,517	1.15	2,564,769	5.13
Outstanding at the end of the year	277,286,094	554.57	276,708,577	553.42

13.4 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.

13.5 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 2021	% of shares held	Number of shares as at 31 March 2020	% of shares held
National Engineering Industries Limited	107,736,274	38.85%	100,371,174	36.27%

13.6 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date - Nil (Previous year - Nil)

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021 (Amount in ₹ million)

13.7 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

- (i) 76,645,066 equity shares of ₹ 2 each were allotted as fully paid-up pursuant to Composite scheme of arrangement.
- (ii) 5,485,604 (Previous year : 4,908,087) equity shares have been issued under Employee stock option plan.

13.8 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.

14 Lease liabilities -non current

Particulars	31 March 2021	31 March 2020
Lease liabilities (Refer note 34)	998.83	1,139.65
	998.83	1,139.65

Notes:

- (i) Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risks is disclosed in note 26.

15 Provisions -non current

Particulars	31 March 2021	31 March 2020
Provision for employee benefits		
- Compensated Absences	517.95	437.10
- Gratuity fund plan liabilities (Refer note 31(2))	281.42	254.88
Other provisions		
- Provision for lease restoration costs (Refer note 36(3))	3.41	3.36
	802.78	695.34

16 Trade payables

Particulars	31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note 32)	18.95	4.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,298.60	1,899.39
	1,317.55	1,903.73

Notes:

- (i) Trade payables from related parties are disclosed in note 33.
- (ii) Information about the Group's exposure to foreign currency risk and liquidity risk is disclosed in note 26.

17 Lease liabilities - current

Particulars	31 March 2021	31 March 2020
Lease liabilities (Refer note 34)	282.27	310.62
	282.27	310.62

Notes:

- (i) Information about the Group's exposure to foreign currency risk, liquidity risk and interest rate risk is disclosed in note 26.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

18 Other current financial liabilities

Particulars	31 March 2021	31 March 2020
Other than trade payables :		
Accrued employee costs	1,642.32	1,228.88
Unclaimed dividend	8.28	7.98
Payables in respect of fixed assets (Refer Note 32)	20.03	9.85
Security deposits	2.16	2.91
Forward contracts designated as cash flow hedges	-	294.35
Other payables	425.87	387.54
	2,098.66	1,931.51

Notes:

- (i) Information about the Group's exposure to interest rate risk, foreign currency risk and liquidity risk is disclosed in note 26.

19 Other current liabilities

Particulars	31 March 2021	31 March 2020
Unearned revenue	629.77	720.47
Advances from customers	395.17	49.16
Statutory remittances	828.53	420.57
	1,853.47	1,190.20

20 Provisions - current

Particulars	31 March 2021	31 March 2020
Provision for employee benefits		
- Compensated Absences	170.82	137.04
- Gratuity fund plan liabilities (Refer note 31(2))	40.27	35.66
Other provisions		
- Provision for Onerous contracts	26.09	22.04
	237.18	194.74

21 Revenue from operations

Particulars	31 March 2021	31 March 2020
Software services (Refer note 30)	35,557.20	32,909.69
	35,557.20	32,909.69

22 Other income

Particulars	31 March 2021	31 March 2020
Interest income	231.15	99.43
Dividend income from current investments	2.78	-
(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	-	4.70
Gain on sale / redemption of mutual funds (net)	3.79	80.54
Fair value gain on financial assets (investments) at fair value through profit or loss	3.19	(16.96)
Foreign exchange gain (net) (Refer note (i) below)	(110.27)	231.06
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	59.17	31.14
	189.81	429.91

Note:

- (i) Includes gains/(losses) (net) on forward contracts designated as cash flow hedges transferred from cash flow hedging reserve ₹ (294.35) million (Previous year - ₹ 35.50 million) (Refer note 26(3)).

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

23 Employee benefits expense

Particulars	31 March 2021	31 March 2020
Salaries, wages and incentives	20,657.95	19,474.76
Contribution to provident fund (Refer note 31(1))	365.03	345.28
Share based compensation to employees (Refer note 37)	111.75	96.39
Staff welfare expenses	23.33	58.98
	21,158.06	19,975.41

24 Finance costs

Particulars	31 March 2021	31 March 2020
Interest on lease liabilities (Refer note 34)	109.23	127.58
Other Interest expense	21.21	33.69
	130.44	161.27

25 Other expenses

Particulars	31 March 2021	31 March 2020
Travel and overseas expenses (net)	181.34	820.13
Transport and conveyance (net)	29.69	370.31
Cost of service delivery (net)	2,499.75	646.64
Cost of professional sub-contracting (net)	4,217.06	4,515.98
Recruitment and training expenses	191.98	196.93
Power and fuel	74.68	118.26
Rent (Refer note 34)	39.13	80.13
Repairs and maintenance -		
- buildings	63.83	149.77
- plant and equipment	248.34	318.26
- others	167.79	130.96
Insurance	155.37	92.81
Rates and taxes	45.59	54.12
Communication expenses (net)	172.26	180.59
Legal and professional fees	496.29	544.84
Marketing expenses	2.70	134.09
Loss on sale of fixed assets (net)	0.51	-
Printing & stationery	10.93	10.87
Auditors remuneration (net of taxes)		
- Audit fees	10.00	10.00
- Limited review of quarterly results	2.50	2.50
- Fees for other services	3.95	2.04
- Out of pocket expenses reimbursed	0.28	1.35
Bad debts written off	141.21	281.22
Provision for doubtful debts and advances (net)	45.59	55.68
Contributions towards corporate social responsibility (Refer note 41(1))	52.79	41.75
Miscellaneous expenses (net)	253.25	255.86
	9,106.81	9,015.09

Notes:

Certain expenses are net of recoveries/reimbursements from customers.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

26 Financial Instruments

26.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2021 are as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss (FVTPL)		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments	-	-	553.17	-	-	553.17	553.17
Trade receivables	5,182.31	-	-	-	-	5,182.31	5,182.31
Cash and cash equivalents	4,660.92	-	-	-	-	4,660.92	4,660.92
Other balances with banks	5,769.05	-	-	-	-	5,769.05	5,769.05
Loans	178.50	-	-	-	-	178.50	178.50
Unbilled revenue	1,135.40	-	-	-	-	1,135.40	1,135.40
Other financial assets	631.01	-	-	-	170.23	801.24	801.24
Total financial assets	17,557.19	-	553.17	-	170.23	18,280.59	18,280.59
Financial liabilities							
Trade payables	1,317.55	-	-	-	-	1,317.55	1,317.55
Lease liabilities	1,281.10	-	-	-	-	1,281.10	1,281.10
Other financial liabilities	2,098.66	-	-	-	-	2,098.66	2,098.66
Total financial liabilities	4,697.31	-	-	-	-	4,697.31	4,697.31

The carrying value and fair value of financial instruments by categories as on 31 March 2020 are as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss (FVTPL)		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments	-	-	330.02	-	-	330.02	330.02
Trade receivables	7,401.90	-	-	-	-	7,401.90	7,401.90
Cash and cash equivalents	4,495.65	-	-	-	-	4,495.65	4,495.65
Other balances with banks	1,805.40	-	-	-	-	1,805.40	1,805.40
Loans	168.81	-	-	-	-	168.81	168.81
Unbilled revenue	737.74	-	-	-	-	737.74	737.74
Other financial assets	390.49	-	-	-	-	390.49	390.49
Total financial assets	14,999.99	-	330.02	-	-	15,330.01	15,330.01
Financial liabilities							
Trade payables	1,903.73	-	-	-	-	1,903.73	1,903.73
Lease liabilities	1,450.27	-	-	-	-	1,450.27	1,450.27
Other financial liabilities	1,637.16	-	-	-	294.35	1,931.51	1,931.51
Total financial liabilities	4,991.16	-	-	-	294.35	5,285.51	5,285.51

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

26.2 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 2021:

Particulars	As at 31 March 2021	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)	553.17	553.17	-	-
Forward contract designated as cash flow hedge	170.23	-	170.23	-
Lease liabilities	1,281.10	-	1,281.10	-

* Since denominated in ₹ million.

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2020:

Particulars	As at 31 March 2020	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)	330.02	330.02	-	-
Forward contract designated as cash flow hedge	294.35	-	294.35	-
Lease liabilities	1,450.27	-	1,450.27	-

Valuation technique and significant unobservable inputs:

Level 2:

- (i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market. Derivatives contract with banks are fair valued using fair values obtained from banks and are classified in Level 2.
- (ii) Lease liabilities are valued using the discounted cash flow method, the expected net cash flows are discounted using the cost of borrowing that are directly or indirectly observable in the market.

Level 3:

Valuation techniques

For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounted cash flow method, the net cash flows expected to be generated are discounted using the weighted average cost of capital.

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021 (Amount in ₹ million)

26.3 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. Further, refer note 40 for evaluation of impact of COVID 19.

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 ₹ 5,182.31 million and ₹ 7,401.90 million and unbilled revenue amounting to ₹ 1,135.40 million and ₹ 737.74 million as on 31 March 2021 and 31 March 2020 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.

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 27B and 27C.

ii. Impairment

Movement in the allowance for impairment in respect of trade and other receivables:

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	369.59	293.90
Change during the year	(95.62)	(217.66)
Bad debts written off	141.21	281.22
Translation exchange difference	(6.01)	12.13
Balance as on 31 March 2021	409.17	369.59

Trade receivables that were not impaired

Particulars	Carrying amount	
	31 March 2021	31 March 2020
Neither past due nor impaired	3,930.79	5,198.51
Past due 1- 30 days	691.72	1,151.57
Past due 31 - 90 days	282.86	421.92
Past due 91 - 180 days	131.68	321.19
More than 180 days	145.62	308.71

Unbilled revenue is not outstanding for more than 90 days.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

iii. Cash and bank balances

The Group held cash and bank balances of ₹ 10,754.65 million and ₹ 6,385.79 million as on 31 March 2021 and 31 March 2020 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 only 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 2021.

v. Investment

The Company invests surplus funds in mutual fund schemes. 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 2021	31 March 2020
Cash and cash equivalents	4,660.92	4,495.65
Other balances with banks (excluding unclaimed dividend)	5,760.79	1,797.43
Investments in Mutual funds (quoted) (non-trade)	553.17	330.02
Fixed deposits with banks (non-current portion) including interest accrued	324.68	84.74
Total	11,299.56	6,707.84

The following are the remaining contractual maturities of financial liabilities as on 31 March 2021:

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Trade payables	1,317.55	-	-	-	-	1,317.55
Lease liabilities on undiscounted basis	372.74	324.56	594.00	206.76	20.81	1,518.88
Other financial liabilities	2,098.66	-	-	-	-	2,098.66

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

The following are the remaining contractual maturities of financial liabilities as on 31 March 2020:

Particulars	Less than 1 year	1-2 years	2-4 years	4-5 years	> 5 years	Total
Trade payables	1,903.73	-	-	-	-	1,903.73
Lease liabilities on undiscounted basis	419.47	374.41	564.40	175.33	161.35	1,694.96
Other financial liabilities	1,931.51	-	-	-	-	1,931.51

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 2021 (Amount in ₹ million):

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	197.07	48.55	7.60	-	253.21
Trade receivables	334.50	179.03	1.47	65.99	580.99
Other financial assets (including loan and unbilled revenue)	372.32	42.73	5.00	19.42	439.47
Trade payables	7.23	(15.38)	(1.32)	(4.92)	(14.39)
Other financial liabilities	(13.07)	62.60	3.31	(85.15)	(32.32)
Net assets/(liabilities)	898.04	317.52	16.06	(4.66)	1,226.96

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The following is the Group's exposure to currency risk from financial instruments as of 31 March 2020 (Amount in ₹ million):

Particulars	US Dollars	Euros	Pound Sterling	Other currencies	Total
Cash and cash equivalents	1,365.05	629.95	117.43	675.22	2,787.65
Trade receivables	1,886.10	677.76	88.70	285.52	2,938.08
Other financial assets (including loan and unbilled revenue)	327.18	116.35	46.93	91.96	582.42
Trade payables	(13.91)	(4.13)	(58.78)	(7.02)	(83.84)
Other financial liabilities	(92.42)	-	(17.32)	(66.49)	(176.23)
Net assets/(liabilities)	3,472.00	1,419.93	176.96	979.19	6,048.08

The above figures exclude amounts in local currency of foreign subsidiaries.

For the year ended 31 March 2021, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 0.23% / (0.23)%.

For the year ended 31 March 2020, every 1% appreciation / depreciation of the exchange rate between respective foreign currencies and the Indian rupee would impact the operating margins by approximately 1.54% / (1.54)%.

ii. Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Group has hedged its cash flows. The Group enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Group's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following are the outstanding GBP/USD/EUR: INR Currency Exchange Contracts entered into by the Group which has been designated as Cash Flow Hedges:

Particulars	31 March 2021		31 March 2020	
	Foreign Currency	₹	Foreign Currency	₹
EUR	7.00	600.47	5.25	436.01
USD	83.00	6,067.72	89.30	6,731.96
GBP	1.00	100.79	1.10	102.38

The forward contracts entered have maturity between 30 days to 11 months from the Balance Sheet date.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021 (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 2021	31 March 2020
Balance at the beginning of the year	(191.49)	23.69
Gains/(losses) recognised in other comprehensive income	170.23	(294.34)
Amounts reclassified to statement of profit and loss	294.35	(35.50)
Deferred tax on fair value of effective portion of cash flow hedges	(145.70)	114.66
Transfer on account of demerger	-	-
Balance at the end of the year	127.39	(191.49)

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 2021	31 March 2020
Fixed rate instruments		
Financial assets	7,540.52	1,857.37

27 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.

Management reviews the group's revenue by geography, VBU and HBU. Until FY 2019-20, as far as business performance was concerned, the Management reviewed the same by geography. Effective from year 2020-21, the Group has reconfigured its reporting structure in a way which allows discrete financial information to be available by VBUs and which shall be used by the Management for its business performance reviews going forward. The Management also notes that this is a generally accepted performance measure within the IT industry and will help them align themselves with the industry in general, enhancing comparability of the Group's performance. Since all the revenue earned and the cost incurred is accounted and allocated to respective verticals, bottom line performance is reviewed with Vertical as primary indicator being dominant source of risk and return.

A) Vertical segments

Segment information is based on customers belonging to specific Vertical.

Revenue, Income and expenses directly attributable to segments are reported under each reportable segment. All other Income and expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

	31 March 2021					31 March 2020				
	Manufacturing	BFSI	Energy Resources & Utilities	Life Science and Services	Total	Manufacturing	BFSI	Energy Resources & Utilities	Life Science and Services	Total
a) Segment Revenue										
Revenue from External customers	14,674.91	6,429.89	5,375.36	9,077.04	35,557.20	14,719.22	5,790.67	6,003.83	6,395.97	32,909.69
Total Segment Revenue	14,674.91	6,429.89	5,375.36	9,077.04	35,557.20	14,719.22	5,790.67	6,003.83	6,395.97	32,909.69
b) Segment Results	4,488.31	1,815.59	2,145.89	1,536.46	9,986.25	3,902.12	1,529.31	2,073.17	1,339.81	8,844.41
Unallocated Corporate expenses (Net)					(5,541.75)					(5,420.53)
Interest income					231.15					99.43
Finance Cost					(130.44)					(161.27)
Dividend income					2.78					-
Exceptional Items					-					-
Profit before tax					4,547.99					3,362.04
Income Tax					(1,172.95)					(1,111.64)
Deferred Tax					(166.73)					(6.92)
Profit/ (Loss) after Tax					3,208.31					2,243.48
c) Depreciation / Amortisation					803.71 [#]					825.79
d) Non cash expenses other than										
Depreciation / Amortisation					- [#]					-

B) Geographical Segments

	31 March 2021				31 March 2020			
	USA	UK & Europe	Rest of World	Total	USA	UK & Europe	Rest of World	Total
a) Segment Revenue	27,470.77	4,762.06	3,324.61	35,557.43	26,074.04	3,533.80	3,301.85	32,909.69
b) Non current assets	3,569.60	792.50	3,292.38	7,654.48 [*]	3,855	755	4,000	8,610.71

* 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 (Life Science and Services segment), ₹ 3,768.88 million (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 on 31 March 2021

(Amount in ₹ million)

28 Disclosure relating to entities considered in the consolidated financial statements

Sr. No.	Name of entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
A	Parent Company:								
	Birlasoft Limited	63.91%	13,930.85	60.33%	1,935.59	298.88%	319.77	68.03%	2,255.36
	(A)		13,930.85		1,935.59		319.77		2,255.36
B	Subsidiaries:								
I	Foreign subsidiaries:								
1	Birlasoft Solutions Inc. (Erstwhile KPIT Infosystems Incorporated, USA)	24.85%	5,418.05	22.77%	730.50	-27.26%	(29.17)	21.15%	701.33
2	Birlasoft Solutions France (Erstwhile KPIT Technologies France SAS)	2.40%	522.33	7.82%	250.91	-4.36%	(4.67)	7.43%	246.24
3	Birlasoft Computer Corporation, USA (Erstwhile SYSTIME Computer Corporation, USA)	4.19%	913.56	-2.14%	(68.70)	1.62%	1.73	-2.02%	(66.97)
4	Birlasoft Solutions ME FZE (Erstwhile KPIT Infosystems ME FZE.)	0.87%	190.21	0.86%	27.52	3.95%	4.23	0.96%	31.75
5	Birlasoft Solutions Ltda (Erstwhile KPIT TECHNOLOGIES SOLUÇÕES EM INFORMÁTICA LTDA.) (Subsidiary of Birlasoft Solutions Inc.)	0.26%	57.27	1.09%	35.11	2.85%	3.05	1.15%	38.16
6	Birlasoft Consulting Inc. (Erstwhile Sparta Consulting Inc.) (Subsidiary of Birlasoft Solutions Inc.)	0.33%	72.61	-12.43%	(398.81)	15.38%	16.45	-11.53%	(382.36)
7	Birlasoft Solutions Mexico, S.A. DE C.V. (Erstwhile KPIT Infosystems Mexico, S.A. DE) (Subsidiary of Birlasoft Solutions Inc.)	0.02%	3.36	0.18%	5.65	0.17%	0.18	0.18%	5.83
8	Birlasoft Technologies Canada Corporation (Erstwhile KPIT Technologies Corporation) (Subsidiary of Birlasoft Computer Corporation, USA)	4.44%	967.76	2.01%	64.45	1.44%	1.54	1.99%	65.99
9	Birlasoft Solutions GmbH (Erstwhile KPIT Solutions GmbH) (Subsidiary of Birlasoft Solutions Limited)	-0.19%	(40.99)	-0.99%	(31.88)	1.88%	2.01	-0.90%	(29.87)
10	Birlasoft Solutions Limited (Erstwhile KPIT Infosystems Limited)	0.80%	174.09	4.25%	136.48	5.94%	6.36	4.31%	142.84
11	Birlasoft Inc.	15.40%	3,357.82	17.55%	563.11	-42.77%	(45.76)	15.60%	517.35
12	Enable Path LLC	-1.87%	(408.62)	-0.86%	(27.73)	1.86%	1.99	-0.78%	(25.74)
13	Birlasoft (UK) Limited	0.90%	195.94	-1.44%	(46.04)	-3.03%	(3.24)	-1.49%	(49.28)
14	Birlasoft GmbH	-0.01%	(1.43)	-0.01%	(0.44)	0.02%	0.02	-0.01%	(0.42)
15	Birlasoft Sdn Bhd	0.10%	21.67	-0.02%	(0.69)	0.01%	0.01	-0.02%	(0.68)
	(B)		11,443.63		1,239.44		(45.27)		1,194.17
C	Consolidation adjustments including intercompany eliminations	-16.40%	(3,575.19)	1.04%	33.28	-156.57%	(167.51)	-4.05%	(134.23)
D	Total (A+B+C)		21,799.29		3,208.31		106.99		3,315.30

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

29 Other equity

(i) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

(ii) Capital redemption reserve

Represents the nominal amount of the preference share capital on redemption of 400,000, 0.01% cumulative redeemable preference shares.

(iii) Amalgamation reserve

Represents the amount credited on account of cancellation of stock options issued pursuant to the scheme of amalgamation and acquisition.

(iv) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(v) Share based payment reserve

The Group has established various equity-settled share based payment plans for certain categories of employees of the Group. Refer note 37 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.

30 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 27 - Segment Information.

b. Trade receivables and Contract balances:

Particulars	31 March 2021	31 March 2020
Trade Receivables	5,182.31	7,401.90
Contract asset (including unbilled revenue)	3,595.40	1,770.84
Unearned Revenue	629.77	720.47

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related services are performed. Revenue for fixed price maintenance and support services contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

Changes in contract asset (including Unbilled Revenue)	31 March 2021	31 March 2020
Balance at the beginning of the year	1,770.84	1,216.84
Revenue recognised net of invoices raised during the year	1,824.56	554.00
Balance at the end of the year	3,595.40	1,770.84

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 2021	31 March 2020
Balance at the beginning of the year	720.47	446.16
Revenue recognised net of unearned revenue for the year	90.70	(274.31)
Balance at the end of the year	629.77	720.47

Revenue recognised during the year from:	31 March 2021	31 March 2020
Amounts included in unearned revenue at the beginning of the period	720.47	446.16

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 2021	31 March 2020
Within one year	2,925.94	3,410.59
More than one year	12,157.58	14,793.84

- 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.

Changes in Contract Fulfillment Cost	31 March 2021	31 March 2020
Opening Balance	96.72	-
Cost incurred during the year qualifying as contract fulfilment cost	-	123.60
Amortized in the reporting period	14.40	26.88
Closing balance	82.32	96.72

Further, refer note 40 for evaluation of impact of COVID 19.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(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 ₹ 365.03 million (Previous Year ₹ 345.28 million).

2 Defined benefit plan

Defined benefit plan - unfunded

- i) During the year, company has transitioned from un-funded to funded plan for defined benefit plan.
- ii) This defined benefit plan comprises gratuity, which is unfunded.
- iii) Actuarial gains and losses in respect of defined benefit plans are recognized in Other Comprehensive Income.

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 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	278.89	235.51
On account of transition to defined benefit plan - funded [refer subnote (i) of note 31 (2)]	(278.89)	
Current service cost	-	34.96
Interest cost	-	17.62
Liability transferred out/Divestments	-	(3.95)
Actuarial loss / (Gain) recognised in other comprehensive income		
b) changes in financial assumptions	-	18.52
c) experience adjustments	-	21.16
Benefits paid	-	(44.93)
Present value of defined benefit obligation at the end of the year	-	278.89

Analysis of defined benefit obligation	31 March 2021	31 March 2020
Present value of obligation as at the end of the year	-	278.89
Net (asset) / liability recognized in the Balance Sheet	-	278.89

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	31 March 2021	31 March 2020
Current service cost	-	34.96
Interest cost	-	17.62
Expenses recognized in the Statement of Profit and Loss	-	52.58

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	31 March 2021	31 March 2020
Actuarial loss / (gain)	-	39.68
Net (income) / expense recognized in the OCI	-	39.68

Actuarial Assumptions:	31 March 2021	31 March 2020
For Birlasoft Limited (Erstwhile KPIT Technologies Limited)		
Discount rate	-	6.59%
Salary escalation	-	5.00%
Attrition Rate		
- 2 years and below	-	25.00%
- 3 years to 4 years	-	20.00%
- 5 years and above	-	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.

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 2021		31 March 2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	-	-	(20.66)	23.83
Future salary growth (1 % movement)	-	-	23.97	(21.14)
Attrition rate (1 % movement)	-	-	1.68	(2.04)

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	31 March 2021	31 March 2020
Within 1 year	-	24.01
1-2 year	-	21.63
2-3 year	-	22.45
3-4 year	-	23.11
4-5 year	-	23.54
5-10 years	-	114.67
Thereafter	-	305.95

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2021	31 March 2020
For Birlasoft Limited		
Number of active members	-	6,342
Per month salary cost for all active members (₹ million)	-	145.15
Weighted average duration of the projected benefit obligation (years)	-	9.00
Average expected future service (years)	-	7.00
Projected benefit obligation (PBO)	-	278.89

3 Defined benefit plan - Funded

This defined benefit plans pertained to Birlasoft (India) Limited. This was transferred from Transferor Company as a part of the Composite Scheme of arrangement. This comprises gratuity, which is fully funded.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days of last drawn salary for each completed year of service with a vesting period of 5 years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

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

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	199.96	173.99
On account of transition to defined benefit plan - funded [refer subnote (i) of note 31 (2)]	278.89	-
Current service cost	75.39	29.53
Interest cost	31.56	12.20
Actuarial loss / (gain) recognised in other comprehensive income		
a) changes in demographic assumptions	-	(0.05)
b) changes in financial assumptions	4.27	23.05
c) experience adjustments	(1.80)	(23.42)
Benefits paid	(48.03)	(15.34)
Present value of defined benefit obligation at the end of the year	540.24	199.96

Changes in the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	188.31	186.21
Actual return on plan assets	12.41	10.71
Fund Charges	-	(0.68)
Employer contribution	17.66	8.10
Benefits paid	(3.50)	(16.03)
Bank Balance in Gratuity Trust Bank account	3.67	-
Fair value of plan assets at the end of the year	218.55	188.31

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Analysis of defined benefit obligation	31 March 2021	31 March 2020
Present value of obligation as at the end of the year	540.24	199.96
Fair value of plan assets	218.55	188.31
Net liability recognized in the Balance Sheet	321.69	11.65

Components of employer expenses/remeasurement recognized in the Statement of Profit and Loss	31 March 2021	31 March 2020
Current service cost	75.39	29.53
Interest cost (net)	19.15	1.49
Expenses recognized in the Statement of Profit and Loss	94.54	31.02

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	31 March 2021	31 March 2020
Actuarial loss / (gain)	2.47	(0.42)
Actuarial loss / (gain) for the year on assets	(3.67)	2.76
Net (income) / expense recognized in the OCI	(1.20)	2.34

Actuarial assumptions:	31 March 2021	31 March 2020
Discount rate	6.49%	5.57%
Salary escalation	5.00%	5.00%
Attrition Rate		
- 2 years and below	25.00%	25.00%
- 3 years to 4 years	20.00%	20.00%
- 5 years and above	7.50%	7.50%

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2021	31 March 2020
Funds managed by insurer	100%	100%

Expected contribution for the next Annual reporting period.

Particulars	31 March 2021	31 March 2020
Service cost	84.02	39.51
Net interest cost	20.88	0.65
Expected expense for the next annual reporting period	104.90	40.16

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Projected benefit obligation on current assumptions	31 March 2021		31 March 2020	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(40.16)	46.23	(15.44)	16.50
Future salary growth (1% movement)	45.37	(40.51)	15.83	(15.20)
Demographic Assumptions (1% movement)	2.89	(3.52)	1.65	(2.03)

Sensitivities due to mortality & withdrawals are not material and hence impact of change due to these is not calculated.

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	31 March 2021	31 March 2020
Within 1 year	40.27	13.37
1-2 year	42.17	30.50
2-3 year	43.73	26.38
3-4 year	45.35	22.26
4-5 year	45.50	18.53
5-6 year	226.05	15.63
Thereafter	578.40	73.30

Weighted average assumptions used to determine net periodic benefit cost

Particulars	31 March 2021	31 March 2020
Number of active members	9,463	2,626
Per month salary cost for all active members (₹ million)	284.60	103.21
Weighted average duration of the projected benefit obligation (years)	9.00	5.47
Average expected future service (years)	7.00	26.59
Projected benefit obligation (PBO)	540.24	199.96

32 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 2021 is ₹ 31.93 million (trade payable: ₹ 18.95 million; payables in respect of fixed assets ₹ 12.98 million) (Previous year - ₹ 4.34 million) (trade payable: ₹ 3.19 million; payables in respect of fixed assets ₹ 1.15 million). Estimated interest due thereon is ₹ 0.11 million (Previous year - ₹ 0.36 million).
- Amount of payments made to suppliers beyond the appointed date during the year is ₹ 110.35 million (Previous year - ₹ 47.99 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ 1.87 million (Previous year - ₹ 2.06 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 2021 is ₹ 1.98 million (Previous year - ₹ 2.42 million).
- The amount of further estimated interest due and payable for the period from 1 April 2021 to actual date of payment or 30 April 2021 (whichever is earlier) is ₹ Nil

*The interest is not accrued.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

33 Related party disclosures

A. Relationship between the parent and its subsidiaries

% voting power held				
Sr. No	Name of the subsidiary	Country of Incorporation	As at 31 March 2021	As at 31 March 2020
Direct subsidiaries				
1	Birlasoft Solutions Inc (erstwhile KPIT Infosystems Incorporated, USA)	United States of America	100	100
2	Birlasoft Solutions France (erstwhile KPIT Technologies France SAS)	France	100	100
3	Birlasoft Computer Corporation, USA (erstwhile SYSTIME Computer Corporation, USA)	United States of America	100	100
4	Birlasoft Solutions ME FZE (erstwhile KPIT Infosystems ME FZE, Dubai)	United Arab Emirates	100	100
5	Birlasoft Solutions Limited (erstwhile KPIT Infosystems Limited)	United Kingdom	100	100
6	Birlasoft Sdn Bhd	Malaysia	100	100
7	Birlasoft Inc.	United States of America	100	100
Indirect subsidiaries				
8	Birlasoft Solutions Ltda (erstwhile KPIT TECHNOLOGIES SOLUÇÕES EM INFORMÁTICA LTDA.) (Subsidiary of Birlasoft Solutions Inc, USA)	Brazil	100	100
9	Birlasoft Consulting Inc. (erstwhile Sparta Consulting Inc., USA) (Subsidiary of Birlasoft Solutions Inc, USA)	United States of America	100	100
10	Birlasoft Solutions Mexico, S.A. DE C.V. (erstwhile KPIT Infosystems Mexico, S.A. DE) (Subsidiary of Birlasoft Solutions Inc, USA) (w.e.f. 25 October 2018)	Mexico	100	100
11	Birlasoft Technologies Canada Corporation (erstwhile KPIT Technologies Corporation) (Subsidiary of Birlasoft Computer Corporation, USA)	Canada	100	100
12	Birlasoft Solutions GmbH (erstwhile KPIT Solutions GmbH, Germany) (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	100	100

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Sr. No	Name of the subsidiary	Country of Incorporation	% voting power held	
			As at 31 March 2021	As at 31 March 2020
Entities jointly controlled by a group having joint control over the reporting entities*				
16	KPIT Technologies (UK) Limited (w.e.f. 01 January 2019 upto 31 January 2020)	United Kingdom	N.A.	N.A.
17	KPIT (Shanghai) Software Technology Co. Limited, China (w.e.f. 01 January 2019 upto 31 January 2020)	China	N.A.	N.A.
18	KPIT Technologies Netherlands B.V (w.e.f. 01 January 2019 upto 31 January 2020)	Netherlands	N.A.	N.A.
19	KPIT Technologies Limited (Erstwhile KPIT Engineering Limited) (w.e.f. 01 January 2019 upto 31 January 2020)	India	N.A.	N.A.
20	KPIT Technologies GmbH, Germany (w.e.f. 01 January 2019 upto 31 January 2020)	Germany	N.A.	N.A.
21	MicroFuzzy KPIT TECNOLOGIA LTDA, Brazil (w.e.f. 01 January 2019 upto 31 January 2020)	Brazil	N.A.	N.A.
22	KPIT Technologies PTE Limited (w.e.f. 01 January 2019 upto 31 January 2020)	Singapore	N.A.	N.A.
23	KPIT Technologies GK , Japan (w.e.f. 01 January 2019 upto 31 January 2020)	Japan	N.A.	N.A.
24	KPIT Technologies Inc (US) (w.e.f. 01 January 2019 upto 31 January 2020)	United States of America	N.A.	N.A.
25	Yantra Digital Services Private Limited (Joint venture of Impact Automotive Solutions Limited w.e.f. 01 January 2019 upto 31 January 2020)	India	N.A.	N.A.
26	KPIT Technologies Holding Inc, USA (w.e.f. 01 January 2019 upto 31 January 2020)	United States of America	N.A.	N.A.
27	Impact Automotive Solutions Limited (w.e.f. 01 January 2019 upto 31 January 2020)	India	N.A.	N.A.
28	MicroFuzzy Industrie-Elektronik GmbH (w.e.f. 01 January 2019 upto 31 January 2020)	Germany	N.A.	N.A.
Joint venture				
29	Yantra Digital Services Private Limited (Joint venture of Impact Automotive Solutions Limited w.e.f. 01 January 2019 upto 31 January 2020)	India	N.A.	N.A.
Enterprise having joint control over entity				
30	National Engineering Industries Limited (upto 31 January 2020)	India	N.A.	N.A.
31	Central India Industries Limited (upto 31 January 2020)	India	N.A.	N.A.
32	Proficient FinStock LLP (upto 31 January 2020)	India	N.A.	N.A.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Sr. No	Name of the subsidiary	Country of Incorporation	% voting power held	
			As at 31 March 2021	As at 31 March 2020
Enterprise having significant influence over the entity				
33	National Engineering Industries Limited (w.e.f. 01 February 2020)	India	N.A.	N.A.
Public Company in which a director is a director and holds along with his relatives, >2% of its paid-up share capital				
34	Orient Cement Limited	India	N.A.	N.A.
35	Orient Electric Limited	India	N.A.	N.A.

As per the agreement between the parties, consequent to the National Company Law Tribunal (NCLT) approved composite scheme, the joint control between the Transferee Company i.e. Birlasoft Limited (erstwhile KPIT Technologies Limited) and the Resulting Company i.e. KPIT Technologies Limited (erstwhile KPIT Engineering Limited) has concluded effective February 1, 2020.

B. List of Key Management Personnel :

Key Management Personnel (KMP)	Mrs. Amita Birla	Chairman and Non-Executive Director
	Mr. Chandrakant Birla	Non-Executive Director
	Mr. Anant Talaulicar	Independent Director
	Ms. Alka Bharucha	Independent Director
	Mr. Ashok Kumar Barat	Independent Director
	Ms. Nandita Gurjar	Independent Director
	Mr. Prasad Thrikutam (upto 10 June 2020)	Independent Director
	Mr. Anjan Lahiri	1. Nominee Director (w.e.f. 23 May 2018 upto 15 January 2019) 2. Managing Director & Chief Executive Officer (w.e.f. January 16, 2019 upto 31 May 2019)
	Mr. Dharmander Kapoor (w.e.f. 01 June 2019)	Chief Executive Officer & Managing Director
	Mr. Pawan Sharma (upto 31 May 2019)	Executive Director
	Mr. Sachin Tikekar	1. Executive Director (upto 15 January 2019) 2. Nominee Director (w.e.f. 01 June 2019 upto 01 February 2020)
	Mr. Rajeev Gupta (upto 31 March 2020)	Chief Financial Officer
	Mr. Chandrasekar Thyagarajan (w.e.f. 21 August 2020)	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 Director's and KMP's relative	Siddhant Padve

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Entities jointly controlled by a group having joint control over the reporting entities		Enterprise having significant influence over the entity		Public Company in which a director is a director and holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relatives		Others		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Transaction during the year														
Sales														
Orient Cement Limited					1.69	0.70							1.69	0.70
Orient Electric Limited					6.00	1.80							6.00	1.80
CK Birla Corporate Services Limited										8.30	-		8.30	-
KPIT Technologies GmbH, Germany	NA	160.50											-	160.50
KPIT Technologies (UK) Limited	NA	72.12											-	72.12
KPIT Technologies (UK) Limited (Sweden Branch)	NA	(3.42)											-	(3.42)
KPIT Technologies Limited GK	NA	7.02											-	7.02
KPIT (Shanghai) Software Technology Co. Limited	NA	6.36											-	6.36
KPIT Technologies Netherlands B.V.	NA	(9.95)											-	(9.95)
KPIT Technologies Inc.	NA	(11.53)											-	(11.53)
KPIT Technologies Limited	NA	2.08											-	2.08
Software service charges														
KPIT Technologies Limited	NA	22.26											-	22.26
KPIT Technologies Inc.	NA	224.33											-	224.33
KPIT Technologies PTE Limited	NA	1.00											-	1.00
Advance (Net)														
KPIT Technologies Limited	NA	(43.48)											-	(43.48)
KPIT Technologies (UK) Limited	NA	22.52											-	22.52
KPIT Technologies (UK) Limited (Sweden Branch)	NA	3.17											-	3.17
KPIT Technologies Limited GK, Japan	NA	0.13											-	0.13
KPIT (Shanghai) Software Technology Co. Limited	NA	0.43											-	0.43
KPIT Technologies Inc.	NA	(361.56)											-	(361.56)
Outstanding receivables against sales														
CK Birla Corporate Services Limited											8.27		8.27	-
Reimbursement of Expenses														
Dharamander Kapoor							0.09	0.75					0.09	0.75
Sneha Padve							0.04	0.14					0.04	0.14
Chandrasekar Thyagarajan							0.01	-					0.01	-
Ashok Kumar Barat							-	0.06					-	0.06
Prasad Thirkutam							-	0.93					-	0.93
Rajeev Gupta							-	0.44					-	0.44

Notes forming part of the standalone financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

Nature of Transaction	Entities jointly controlled by a group having joint control over the reporting entities		Enterprise having significant influence over the entity		Public Company in which a director holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relatives		Others		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	
Alka Bharucha								0.17						0.17
KPIT Technologies Inc.	NA	327.58												327.58
KPIT Technologies Limited	NA	(136.86)												(136.86)
KPIT Technologies (UK) Limited	NA	(1.58)												(1.58)
KPIT Technologies (UK) Limited (Sweden Branch)	NA	(9.44)												(9.44)
KPIT (Shanghai) Software Technology Co. Limited	NA	(6.64)												(6.64)
KPIT Technologies GmbH, Germany	NA	(17.14)												(17.14)
KPIT Technologies Limited GK, Japan	NA	(14.06)												(14.06)
KPIT Technologies Netherlands B.V.	NA	(7.96)												(7.96)
MicroFuzzy KPIT TECHNOLOGIA LTDA, Brazil	NA	6.76												6.76
KPIT Technologies PTE Limited	NA	(1.07)												(1.07)
Short term employee benefits														
Dharmander Kapoor							33.31	30.04						33.31
Chandrasekar Thyagarajan							11.99	-						11.99
Pawan Sharma							-	16.37						16.37
Anjan Lahiri							-	8.27						8.27
Rajeev Gupta							-	23.94						23.94
Sneha Padve							4.77	5.88						4.77
Siddhant Padve									0.03					0.03
Post employment benefit plans														
Dharmander Kapoor							1.54	1.82						1.54
Chandrasekar Thyagarajan							0.49	-						0.49
Pawan Sharma							-	6.74						6.74
Anjan Lahiri							-	1.35						1.35
Rajeev Gupta							-	0.99						0.99
Sneha Padve							0.15	0.15						0.15
Perquisite Value														
Dharmander Kapoor							19.73	21.91						19.73
Anjan Lahiri							-	163.09						163.09
Commission Paid														
Amita Birla							5.00	0.60						5.00
Chandrakant Birla							2.00	0.60						2.00
Anant Talaulicar							2.50	0.60						2.50
Alka Bharucha							2.00	0.60						2.00

Notes forming part of the standalone financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Nature of Transaction	Entities jointly controlled by a group having joint control over the reporting entities		Enterprise having significant influence over the entity		Public Company in which a director is a director and holds along with his relatives, >2% of its paid-up share capital		Key management personnel (KMP)		Director's and KMP's relatives		Others		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Ashok Kumar Barat							3.00	0.60					3.00	0.60
Nandita Gujjar							2.00	0.60					2.00	0.60
Prasad Thrikutam							5.02	0.60					5.02	0.60
Sitting fees														
Amrita Birla							0.75	5.92					0.75	5.92
Chandrakant Birla							0.50	0.50					0.50	0.50
Anant Talaulicar							1.20	1.35					1.20	1.35
Alka Bharucha							0.60	0.40					0.60	0.40
Ashok Kumar Barat							0.95	1.10					0.95	1.10
Nandita Gujjar							1.25	1.60					1.25	1.60
Prasad Thrikutam							0.20	1.15					0.20	1.15
Sachin Tikekar							-	0.50					-	0.50
Rent														
National Engineering Industries Limited			-	1.90										1.90
Corporate Assistance and IPR charges/ Fess etc.														
CK Birla Corporate Services Limited											43.97	50.34	43.97	50.34
Branding Cost														
CK Birla Corporate Services Limited											5.78	-	5.78	-
Balance outstanding as on 31 March 2021 [Receivable/(Payable)]														
Amrita Birla							(0.28)	-					(0.28)	-
Chandrakant Birla							(0.06)	-					(0.06)	-
Ashok Kumar Barat							(0.13)	-					(0.13)	-
Anant Talaulicar							(0.10)	-					(0.10)	-
Nandita Gujjar							(0.06)	-					(0.06)	-
Alka Bharucha							(0.06)	-					(0.06)	-
Rajeev Gupta							-	(3.80)					-	(3.80)
National Engineering Industries Limited			-	0.26										0.26
CK Birla Corporate Services Limited											(10.10)	(15.99)	(10.10)	(15.99)
Orient Cement Limited						0.50								0.38
Orient Electric Limited						2.80								2.12

Notes

Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available

All transactions with these related parties are priced on an arm's length basis.

* As the company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'Group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction is being reported as a 'related party transaction' under the applicable accounting standards.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

34 Lease transactions

Following are the changes in carrying value of right of assets for year ended 31 March 2021.

Particulars	Category of ROU Assets		
	Land	Office Premises	Total
Opening balance	63.29	1,326.12	1,389.41
Addition	-	250.01	250.01
Deletion	-	117.46	117.46
Depreciation	2.48	336.70	339.18
Exchange difference	-	(3.73)	(3.73)
Balance as on 31 March 2021	60.81	1,118.24	1,179.05

Following are the changes in carrying value of right of assets for year ended 31 March 2020.

Particulars	Category of ROU Assets		
	Land	Office Premises	Total
Right-of- use asset created on adoption of Ind AS 116 as at 01 April 2019	-	1,462.24	1,462.24
Reclassified on account of adoption of IND AS 116	54.33	-	54.33
Addition	11.40	248.14	259.54
Deletion	-	35.15	35.15
Depreciation	2.44	364.95	367.39
Exchange difference	-	15.84	15.84
Balance as on 31 March 2020	63.29	1,326.12	1,389.41

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in consolidated statement of profit and loss.

Following is the movement in lease liabilities

Particulars	31 March 2021	31 March 2020
Opening Balance	1,450.27	1,505.32
Additions	250.03	233.73
Finance cost during the period	109.23	127.58
Deletions	122.35	38.04
Payment of lease liabilities	401.88	394.02
Exchange difference	(4.20)	15.70
Balance as on	1,281.10	1,450.27

The following is breakup of current and non-current lease liabilities

Particulars	31 March 2021	31 March 2020
Current lease liabilities	282.27	310.62
Non-current lease liabilities	998.83	1,139.65
Total	1,281.10	1,450.27

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	31 March 2021	31 March 2020
Less than one year	372.74	419.47
One to five years	1,125.32	1,114.14
More than five years	20.81	161.35
Total	1,518.88	1,694.96

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. Impact of COVID 19 on the Group is disclosed in note 40.

Amount recognised in profit and loss statement

Particulars	31 March 2021	31 March 2020
Finance cost on lease liabilities	109.23	127.58
Expense relating to short term leases	24.40	64.95
Expense relating to leases of low value assets excluding short term leases of low value assets	1.23	3.63
Expenses relating to variable lease payments not included in measurement of lease liabilities	13.50	11.55
Total	148.36	207.71

Amount recognised in profit and loss statement

Particulars	31 March 2021	31 March 2020
Repayment of lease liabilities	394.87	394.02
Total	394.87	394.02

Further, refer note 40 for evaluation of impact of COVID 19.

35 Basic and diluted earnings per share

Particulars		31 March 2021	31 March 2020
Nominal value per equity share	₹	2.00	2.00
Profit for the year	₹ (million)	3,208.31	2,243.48
Weighted average number of equity shares	No. of shares	278,276,327	276,646,908
Earnings per share – basic	₹	11.53	8.11
Effect of dilutive potential equity shares -			
Employee stock options	No. of shares	5,881,543	1,806,262
Weighted average number of diluted equity shares	No. of shares	284,165,737	278,453,170
Earnings per share – diluted	₹	11.29	8.06

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

36 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 Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract, from the date of sale of license of software to Tier I suppliers. The movement in the said provision is as under:

Particulars	31 March 2021	31 March 2020
Carrying amount as at the beginning of the year	-	3.24
Unused amount reversed during the year	-	3.46
Exchange difference	-	0.22
Carrying amount at the end of the year	-	-

The warranty provision is expected to be utilized over a period of 1 year.

2 Contingent liabilities

A. Taxes and guarantees

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Outstanding bank guarantees in routine course of business	129.45	129.45
2	Income tax matters (refer note (iii) below)	693.19	689.49
3	VAT matters (refer note (ii) below)	6.42	0.42
4	Service Tax matters (excluding interest and penalty) (Refer note (i) below)	685.45	685.45
5	Other matters (Refer note (iv) below)	37.32	37.32

Note:

(i) Service tax matters

- a. The Company has received a show cause cum demand notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2014 to March 2015 demanding service tax relating to:
 - ₹ 169.34 million (Previous year ₹ 169.34 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company, under the head 'Business Auxiliary Services'.
 - ₹ 13.07 million (Previous year ₹ 13.07 million) towards the amount of expenditure made in foreign currency in respect of category II and III services.
- b. The Company has received a show cause notice from Commissioner of Central Excise & Service Tax, Pune I for the period April 2010 to June 2012 demanding service tax relating to:
 - ₹ 4.79 million (Previous year ₹ 4.79 million) towards the amount of expenditure against reimbursement of expenses.

The Company has filed an Appeal with Customs, Excise and Service Tax Appellate Tribunal, Mumbai for all the above matters.

- c. Department has filed an appeal against the Company in the following cases:
 - ₹ 469.65 million (Previous year ₹ 469.65 million) towards Service Tax on the amount received by branches from overseas clients on behalf of the Company for the period October 2006 to March 2014,

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

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) VAT matters

- a. Company has received a demand notice of ₹ 6 million (Previous year - nil) from Deputy Commissioner of commercial tax, Noida for the period April 2017 to March 2018 demanding VAT relating to software services. Appeal is filed with Deputy Commissioner (Appeals), Noida.
- b. Company has received demand order of ₹ 0.21 million (Previous year - ₹ 0.21 million) from Assistant Commissioner, Sales Tax, Mumbai towards inadmissible input credit availed for financial year 2008 - 2009. Appeal with Deputy Commissioner (Appeals), Mumbai.
- c. Company has received demand order of ₹ 0.21 million (Previous year - ₹ 0.21 million) from Deputy Commissioner, Sales Tax, Pune towards short payment of CST due to challan period mismatch for financial year 2012-2013. Rectification application is filed with Deputy Commissioner, Sales Tax, Pune.

(iii) Income tax matters

The Income Tax Department has filed appeals for various years with Hon'ble Delhi High Court predominantly contesting a) the set off of losses of STP unit against Non STP unit b) deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 and c) the Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 601.90 million.

The Company has filed appeals with various appellate authorities for different assessment years. The key items for which appeals are filed are a) allowability of deduction claimed by the Company u/s 10A of the Income-tax Act, 1961 b) deduction under section 36 of the Income-tax Act, 1961, with respect to deposit of dues c) disallowance of rent equalization reserve d) tax withholding obligations and e) Arm's Length Price of the transactions entered with the related parties. The disputed tax amount is ₹ 91.29 million.

(iv) Other matters

These matters pertain to the transferee company acquired pursuant to the composite scheme.

- a. ₹ 19.47 million (excluding interest) arising out of the Order passed by District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 12.98 million for alleged short payment of stamp duty along with penalty of ₹ 6.49 million in respect of the office space taken (since vacated) at D-195, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The matter has been remanded back by Hon'ble Supreme Court to Hon'ble Allahabad High Court for hearing it afresh. The matter is presently pending before Hon'ble Allahabad High Court.
- b. ₹ 7.20 million (excluding interest) arising out of the Order passed by Additional District Magistrate/Collector, Gautam Budha Nagar, imposing stamp duty of ₹ 6.20 million for alleged short payment of stamp duty along with penalty of ₹ 1.00 million in respect of the office space taken (since vacated) at H-9, Sector 63, Noida, Gautam Budha Nagar, Uttar Pradesh, India, by erstwhile Birlasoft (India) Ltd. (now merged with and into Birlasoft Limited). The Company has filed a Writ petition before Hon'ble Allahabad High Court for quashing of the Order.
- c. ₹ 1.08 million arising out of the Demand Notice issued by Tamil Nadu Electricity Board, Chennai on account of purported short levy due to tariff difference. The Company has filed a Writ petition before the Hon'ble Madras High Court at Chennai, challenging such a demand. The matter is presently pending before the Hon'ble Madras High Court.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

- d. ₹ 740 million (excluding interest) arising out of recovery suit filed by an ex-employee against the company alleging wrongful termination. The matter is presently pending before Patiala House District Court at Delhi.
 - e. INR 2.17 million (BRL 150,277) arising out of claim made by one of the previous customer in Brasilia Civil Court on erstwhile KPIT Technologies Solucoes EM Informatica Ltda. (now renamed, Birlasoft Solutions Ltda) and on SAP Brasil Ltda for alleged loss suffered by such customer arising from a dispute on a project/contract. The matter has been transferred and is presently pending before Civil Court of Sao Paulo.
- 3 As per Ind AS 37, the Group has made provision for future lease restoration expense of ₹ 3.41 million (Previous year ₹ 3.36 million) in respect leased premises in Noida. The same is expected to be utilized at the end of the lease period in 2026.

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Carrying amount as at beginning of the year	3.36	3.11
2	Additional provision made during the year	0.05	0.25
3	Amount paid/utilized during the year	-	-
4	Carrying amount as at end of the year	3.41	3.36

4 Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for:

- a. Property, plant and equipment - ₹ 105.22 million (Previous Year ₹ 68.87 million)

37 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 2021		31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	784,155	58.14	1,229,650	55.54
Granted during the year	-	-	-	-
Forfeited / surrendered / Adjusted during the year	7,750	53.23	75,695	55.54
Exercised during the year	294,605	57.78	305,600	49.91
Lapsed during the year	21,400	53.23	64,200	49.39
Options outstanding at the end of year	460,400	58.53	784,155	58.14
Options exercisable at the end of the year	460,400	58.53	784,155	58.14

The weighted average share price of the options exercised under Employees Stock Option Scheme -2006 on the date of exercise during the year was ₹ 187.08 (Previous year ₹ 72.90).

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	NIL	8,000	0.00	34,800
₹ 50 to ₹ 100	1.55	452,400	2.62	749,355
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	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 2020 and 31 March 2019.

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 – 2014

The Board of Directors and the shareholders of the Group approved another Employees Stock Option Plan at their meeting in February 2014 and in April 2014, respectively. Pursuant to this approval, the Group instituted ESOP 2014 Plan in April 2014. 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 of ₹ 2 per option. 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 2021		31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	30,000	2.00
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	30,000	2.00
Exercised during the year	-	-	-	-
Options outstanding at the end of year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average share price of the options exercised under Employees Stock Option Scheme -2014 on the date of exercise during the year was ₹ Nil (Previous year ₹ 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 2021 and 31 March 2020.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The Group recorded an employee compensation cost of ₹ Nil (Previous year ₹ Nil million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

3 Employee Stock Option Plan – 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 2021		31 March 2020	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	496,800	60.78	547,800	60.58
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	51,000	60.58
Exercised during the year	74,400	66.06	-	-
Lapsed during the year	36,500	58.74	-	-
Options outstanding at the end of year	385,900	59.95	496,800	60.78
Options exercisable at the end of the year	385,900	59.95	496,800	60.78

The weighted average share price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise during the year was ₹ 210.82 (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	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	1.68	385,900	1.88	496,800
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	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 2021 and 31 March 2020.

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.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

4 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 2021		31 March 2020	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	1,589,016	3.10	4,753,138	3.10
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	21,266	3.10	599,353	3.10
Exercised during the year	577,517	3.10	2,564,769	3.10
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	990,233	3.10	1,589,016	3.10
Options exercisable at the end of the year	990,233	3.10	734,548	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 ₹ 133.32 (Previous year ₹ 73.29).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	3.73	990,233	4.44	1,589,016
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	31 March 2021	31 March 2020
1. Exercise price (₹)	NIL	NIL
2. Price of the underlying share in market at the time of the option grant (₹)	NIL	NIL
3. Weighted average fair value of options granted (₹)	NIL	NIL
4. Expected life of the option (years)	NIL	NIL
5. Risk free interest rate (%)	NIL	NIL
6. Expected volatility (%)	NIL	NIL
7. Dividend yield (%)	NIL	NIL

The Group recorded an employee compensation cost of ₹ 21.70 million (Previous year ₹ 66.20 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021
(Amount in ₹ million)

5 Share Incentive Plan – 2019

The Board of Directors and the shareholders of the Company approved another Employee Stock Option Plan at their meeting in November 2019. Pursuant to this approval, the Group instituted Share Incentive Plan 2019 in November 2019. The compensation committee of the Group administers this Plan. Each 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 2021		31 March 2020	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	6,192,931	62.40	-	-
Granted during the year	942,644	183.92	7,094,575	62.46
Forfeited / surrendered during the year	487,000	61.95	901,644	62.82
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	6,648,575	79.66	6,192,931	62.40
Options exercisable at the end of the year	-	-	-	-

The weighted average share price of the options exercised under Share Incentive Plan - 2019 on the date of exercise during the year was ₹ Nil (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	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	5.14	5,843,003	6.13	6,192,931
₹ 100 to ₹ 150	6.18	805,572	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	31 March 2021	31 March 2020
1. Exercise price (₹)	183.92	62.46
2. Price of the underlying share in market at the time of the option grant (₹)	183.92	62.46
3. Weighted average fair value of options granted (₹)	79.20	22.28
4. Expected life of the option (years)	3.80	4.16
5. Risk free interest rate (%)	5.02%	6.05%
6. Expected volatility (%)	54.12%	47.49%
7. Dividend yield (%)	1.47%	3.23%

The Group recorded an employee compensation cost of ₹ 55.63 million (Previous year ₹ 20.04 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

6 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 2021		31 March 2020	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Units outstanding at the beginning of the year	1,233,647	2.00	-	-
Granted during the year	411,216	2.00	1,644,863	2.00
Forfeited / surrendered during the year	-	-	411,216	2.00
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Units outstanding at the end of year	1,644,863	2.00	1,233,647	2.00
Units exercisable at the end of the year	-	-	-	-

The weighted average share price of the units exercised under Share Incentive Plan – 2019 on the date of exercise during the year was ₹ Nil (Previous year ₹ Nil).

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31 March 2021		31 March 2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 0 to ₹ 50	5.30	1,644,863	6.11	1,233,647
₹ 50 to ₹ 100	NIL	NIL	NIL	NIL
₹ 100 to ₹ 150	NIL	NIL	NIL	NIL
₹ 150 to ₹ 200	NIL	NIL	NIL	NIL

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	31 March 2021	31 March 2020
1. Exercise price (₹)	2.00	2.00
2. Price of the underlying share in market at the time of the option grant (₹)	123.83	61.95
3. Weighted average fair value of options granted (₹)	114.71	52.61
4. Expected life of the option (years)	3.91	4.16
5. Risk free interest rate (%)	5.07%	6.04%
6. Expected volatility (%)	52.59%	47.54%
7. Dividend yield (%)	2.05%	3.23%

The Group recorded an employee compensation cost of ₹ 34.42 million (Previous year ₹ 10.15 million) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

38 Income taxes

The income tax expense consists of following:

Particulars	31 March 2021	31 March 2020
Tax expense		
1 Current tax		
Tax on the profit	1,172.95	1,111.64
Total current tax expense (a)	1,172.95	1,111.64
2 Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	166.73	6.92
Total deferred tax expense (b)	166.73	6.92
Total tax expense (a + b)	1,339.68	1,118.56

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 2021	31 March 2020
Profit before tax	4,547.99	3,362.04
Indian statutory income tax rate	25.17%	34.94%
Expected tax expense	1,144.73	1,174.83
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect relating to prior years	(41.56)	(14.06)
MAT credit written off due to change in tax regime	128.03	-
Effect of permanent adjustments	(18.33)	(11.93)
Effect of differential overseas tax rates	44.26	(72.33)
Effect of change in tax regime	72.15	-
Effect of unrecognized deferred tax assets	(3.79)	40.34
Others (net)	14.19	1.71
Total income tax expense	1,339.68	1,118.56

Some subsidiaries of the Group have unabsorbed depreciation and losses under respective local tax laws and it is not probable that taxable profits will be available in the future. Hence, deferred tax assets on temporary differences have been recognized only to the extent of deferred tax liabilities. The amount of such unrecognised deferred tax assets is ₹ 6.10 million (Previous year - ₹ 26.33 million).

Deferred Tax

The gross movement in the deferred income tax account for the year ended 31 March 2021 and 31 March 2020, is as follows:

Particulars	31 March 2021	31 March 2020
Net deferred income tax asset at the beginning	1,200.12	1,432.59
Translation differences	(14.26)	34.05
MAT Credit Utilised for the year	(128.03)	(388.95)
Credits / (charge) relating to temporary differences (net)	42.04	7.77
Effect of change in tax rate (refer note below)	(72.15)	-
Temporary differences on other comprehensive income	(116.94)	114.66
Effect of change in tax rate on other comprehensive income (refer note below)	(28.77)	-
Net deferred income tax asset at the end	882.01	1,200.12

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

The charge relating to temporary differences during the year ended March 31, 2021 are primarily on account of provision for doubtful debts & bad debts, provision for gratuity, compensated absences, derivative contracts & property, plant and equipment, transaction cost and lease rentals. The credit relating to temporary differences during the year ended March 31, 2020 are primarily on account of provision for doubtful debts & bad debts, provision for gratuity, compensated absence, derivative contracts, property, plant and equipment, transaction cost and lease rentals.

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Act, 2019, allowed an option to the domestic companies to switch to a lower tax rate structure of 22% (25.17% including surcharge and cess) from the earlier 30% (34.944% including surcharge and cess) subject to condition that the Company will not avail any of the specified deductions / incentives under the Income Tax Act. The Company has elected to switch to the new lower tax rate structure with effect from the financial year 2020-21. The effect of this change in accounting estimate has been recognised in tax expense for the Year ended March 31, 2021, resulting in recognition of Deferred tax expense of ₹ 229 Million on account of MAT credit balance written off and re-measurement of deferred tax asset/ liabilities. The effect of this change has also resulted in decrease in current tax expense of ₹ 292 Million which has been recognized during the Year ended March 31, 2021.

39 Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

Following is the summary of changes in carrying amount of goodwill:

Carrying Values	31 March 2021	31 March 2020
Opening balance	4,541.47	4,219.15
On account of business combinations during the year	-	-
Translation differences	(65.19)	322.32
Closing balance	4,476.28	4,541.47

Goodwill has been allocated to the operating segments of the Group as CGUs. The recoverable amount was computed based on estimated value-in-use. The carrying amount was computed by allocating the net assets to operating segments for the purpose of impairment testing.

The estimated value-in-use is based on the future cash flows using a 4% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 14.5%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021 (Amount in ₹ million)

40 The Group has evaluated the impact of COVID 19 on the consolidated financial statements as on 31 March 2021 as below:

1 Revenue from operations

The group has evaluated the impact of COVID-19 resulting from (a) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (b) onerous obligations; (c) penalties relating to breaches of service level agreements; (d) volume discounts, and (e) termination/deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. Based on the evaluation, the Group has concluded that the impact of COVID – 19 is not material for the year. The Group would continue to assess the impact of COVID-19 as we go along due to uncertainties associated with its nature and duration.

2 Goodwill

The Group tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The Group has performed its annual goodwill impairment testing considering the likely impact of COVID-19 on future cash flows, discount rates, and growth rates including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies. Based on the impairment assessment performed, the Group has concluded that the recoverable amount of goodwill is higher than the carrying value of goodwill and accordingly, no impairment is required. Refer note 39.

3 Right-of-use assets (Lease arrangements)

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and the Group does not expect any change due to global pandemic in the terms of lease arrangements including renewal options assessed in this regard while assessing the Right-of-use assets.

4 Financial Instruments

a. Cashflow Hedge

The Group basis their assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID – 19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

b. Trade Receivables and Contract assets including Unbilled revenue

Trade receivables and contract assets including unbilled revenue, have been valued after making allowance for expected credit losses based on factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals, geographies, considering impact of COVID – 19 on customers and related customer verticals and geographies. In addition the Group has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

c. Fair Valuation

Assets measured using level 1 inputs primarily include investment securities in liquid debt funds and the fair value being marked to an active market which factors the impact of COVID-19, we do not expect material volatility in these financial assets.

Notes forming part of the Consolidated financial statements for the year ended on 31 March 2021

(Amount in ₹ million)

Assets and liabilities measured using level 2 inputs which include derivative financial instruments and financial assets measured at amortised cost which include cash and cash equivalents and deposits with banks and corporations, have been assessed basis counterparty credit risk.

5 Deferred Tax asset

The Group has considered the impact of COVID-19 in preparing revenue and profit projections. On the basis of these projections, the Group believes that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

6 Going Concern

The Group has prepared cashflow projections for the foreseeable future after considering the impacts of COVID-19. Further, the Group carries cash and cash equivalents of ₹ 4,660.92 million, other bank balances of ₹ 5,769.05 million and has unutilized working capital limits of ₹ 3,518.00 million as at March 31, 2021. Accordingly, the management has assessed that the going concern assumption is appropriate for the Group.

41 Other disclosures and explanatory notes

- The Company was required to spend ₹ 43.37 million towards Corporate Social Responsibility. During the year the Company has spent and paid ₹ 52.79 million (Previous year ₹ 41.75 million) towards Corporate Social Responsibility, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset.

Particulars	31 March 2021	31 March 2020
A. Gross amount required to be spent by the company during the year	43.37	41.14
B. Amount spent during the year		
(i) Construction/acquisition of any asset	Nil	Nil
(ii) On purpose other than (i) above	52.79	41.75

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number :101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

Place: Pune

Date: May 21, 2021

For and on behalf of the Board of Directors of

BIRLASOFT LIMITED

CIN: L72200PN1990PLC059594

Dharmander Kapoor

CEO & Managing Director

DIN: 08443715

Place: Faridabad

Date: May 21, 2021

Sneha Padve

Company Secretary

Place: Pune

Date: May 21, 2021

Amita Birla

Chairman

DIN: 00837718

Place: London

Date: May 21, 2021

Chandrasekar Thyagarajan

Chief Financial Officer

Place: Bengaluru

Date: May 21, 2021

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 | Website: www.birlasoft.com

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of Birlasoft Limited will be held on Wednesday, July 28, 2021, at 04:00 p.m. Indian Standard Time ("IST"), through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility, to transact the following business:

ORDINARY BUSINESS

1. Adoption of the audited Financial Statements – standalone

To receive, consider and adopt the audited Standalone Financial Statements for the financial year ended March 31, 2021, together with the reports of the Auditor and the Board of Directors 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 for the financial year ended March 31, 2021, together with the reports of the Auditor and the Board of Directors thereon, be and are hereby received, considered and adopted."

2. Adoption of the audited Financial Statements – consolidated

To receive, consider and adopt the audited Consolidated Financial Statements for the financial year ended March 31, 2021, together with the report of the Auditor 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, 2021, together with the report of the Auditor thereon, be and are hereby received, considered and adopted."

3. Confirmation of interim dividend and declaration of final dividend

During the financial year, the Board of Directors, on November 5, 2020, had declared an interim dividend of ₹ 1/- (50%) per equity share of face value of ₹ 2/- each on the paid-up equity share capital of the Company. Further, the Board of Directors has recommended a final dividend of ₹ 2.50 (125%) per equity share of face value of ₹ 2/- each, for the financial year ended March 31, 2021; and in this regard to consider and if thought fit, to pass the

following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT confirmation of payment of interim dividend of ₹ 1/- (50%) per equity share of face value of ₹ 2/- each on the paid-up equity share capital of the Company, declared on November 5, 2020 and declaration of final dividend for the financial year ended March 31, 2021, at the rate of ₹ 2.50 (125%) per equity share of face value of ₹ 2/- each, be and are hereby approved 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 Mrs. Amita Birla as a Director liable to retire by rotation

To re-appoint Mrs. Amita Birla (Director Identification Number: 00837718), who retires by rotation as a Director and being eligible, offers herself for re-appointment; and in this regard, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Amita Birla (Director Identification Number: 00837718), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

5. Increase in the managerial remuneration limit payable to Mr. 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

To increase the overall maximum managerial remuneration limit payable to Mr. Dharminder Kapoor - CEO & Managing Director of the Company (Director Identification Number: 08443715), in excess of 5% of the net profits of the

Company, and therefore, which is likely to be caused on account of exercise of Stock Options/Restricted Stock Units earlier granted to Mr. Dharmander Kapoor, for the financial year 2021-22; and in this regard, to consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V thereof and the Rules made thereunder and as per 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 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors; and subject to the approval of any other statutory authorities, as may be required in this regard, the approval of the members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to Mr. Dharmander Kapoor – CEO & Managing Director (Director Identification Number: 08443715), for the financial year 2021-22, to the extent it would exceed 5% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Companies Act, 2013, in the event of the exercise during the financial year 2021-22, by Mr. Dharmander Kapoor of some or all of the Stock Options and Restricted Stock Units granted to and vested/to be vested unto him.

RESOLVED FURTHER THAT as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the members of the Company, be and is hereby accorded to increase the overall maximum managerial remuneration limit payable to all Directors including Managing Director, Whole-Time Director and Non-Executive Directors, for the financial year 2021-22, from 11% to 15% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Companies Act, 2013, in view of the potential increase in the remuneration payable to Mr. Dharmander Kapoor.

RESOLVED FURTHER THAT any one Director, Mr. Chandrasekar Thyagarajan – Chief Financial Officer, Mr. Arun Rao – Chief People Officer, and Ms. Sneha Padve - Company Secretary of the Company, be and are hereby severally authorized to furnish a certified copy of this resolution and to do all such acts, deeds, matters and things as may be usual and expedient to implement this decision.”

By Order of the Board of Directors
For **Birlasoft Limited**

Pune
May 21, 2021

Sneha Padve
Company Secretary
Membership Number: A9678

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out material facts concerning the special business under Item No. 5 of the Notice, is annexed hereto.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI (LODR) Regulations, 2015") and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at the Thirtieth Annual General Meeting ("the AGM") is also annexed hereto.
3. In view of the continuing COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively, and all other relevant circulars issued by the Ministry of Corporate Affairs from time to time (collectively referred to as "the MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as "the SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (LODR) Regulations, 2015, 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 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 MCA circulars, the SEBI Circulars, and the SEBI (LODR) Regulations, 2015, and owing to the difficulties involved in dispatching physical copies, the AGM Notice and the Annual Report 2020-21, including Financial Statements (along with Board's Report, Auditor's Reports or other documents required to be attached therewith), is 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 2020-21 will also be available on the Company's website at <https://www.birlasoft.com/company/investors/policies-reports-filings>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.

6. Those members whose e-mail IDs, Permanent Account Number ("PAN") are not registered, can register the same as per the below process:

- **Members holding shares in physical form:**

The members of the Company holding shares in physical form and who have not registered their e-mail IDs may get their e-mail IDs registered with our RTA – Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html or through their website www.linkintime.co.in > Investor Services > E-mail/Bank Registration > Select "**Birlasoft Limited**" and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, Mobile Number and e-mail ID and also upload the image of share certificate in PDF or JPEG format (up to 1 MB) and other supporting documents.

On submission of the member's details, an OTP will be received by the member, which needs to be entered in the link for verification and submit thereafter.

- **Members holding shares in dematerialized form:**

The members are requested to register their e-mail IDs, in respect of shares held in dematerialized form with their respective DPs by following the procedure as prescribed by them.

7. In terms of the MCA Circulars, since the physical attendance of the members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the members under Section 105 of the Act, **will not be available** for the AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Sections 112 and 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM.

8. Since the AGM will be held through VC/OAVM, the venue route map is not annexed to this Notice.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to consolidate their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
10. The Company has fixed **Friday, July 16, 2021**, as the **"Record Date"** for determining eligibility of members to receive final dividend for the financial year ended March 31, 2021, if approved at the AGM.
11. The **"Cut-off Date"** for determining the eligibility of members for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM is **Wednesday, July 21, 2021**.
12. Members of the Company under the category of "Institutional Investors" are encouraged to attend and vote at the AGM.
13. Institutional/corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authority letter, etc. alongwith attested specimen signature of the duly authorized signatory(ies), authorizing its representative to attend the AGM through VC/OAVM facility on its behalf and to vote through remote e-voting, to the Scrutinizer by e-mail through its registered e-mail ID to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.
14. 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.
15. In case of joint holders attending the AGM, 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 to vote at the AGM.
16. 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.
17. 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.
18. 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, as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on **Friday, July 16, 2021**; and
 - b. To all the members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the RTA as of the close of business hours on **Friday, July 16, 2021**.

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, at the earliest once normalcy is restored.
19. The Company is providing following facility for registering the bank account details:
 - **Registration of bank account details for members holding shares in physical form:**

The members of the Company holding shares in physical form and who have not registered their bank account details, can get the same registered with our RTA, by clicking the link: https://linkintime.co.in/emailreg/email_register.html or through their website www.linkintime.co.in > Investor Services > E-mail/Bank Registration > select **"Birlasoft Limited"** and follow the registration process as guided therein. The members are requested to provide a signed

request letter and details such as Name, Folio Number, Certificate Number, PAN, E-mail ID along with the copy of PAN & the cheque leaf with the first named member's name imprinted on the face of the cheque leaf containing bank name and branch details, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. It is very important that the member should submit the request along with a duly signed letter.

On submission of the member's details, an OTP will be received by the member, which needs to be entered in the link for verification and submit thereafter.

The RTA will verify the documents uploaded and will take on record for all valid cases only.

- **Registration of bank account details for members holding shares in dematerialized form:**

The members of the Company holding shares in dematerialized form and who have not registered their bank details, can get the same registered with their respective DPs by following the procedure prescribed by them.

20. In terms of the provisions of the Income-tax Act, 1961 ("the IT Act") 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 **Tuesday, July 20, 2021 (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://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 **Tuesday, July 20, 2021 (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) & DPs (for shares held in dematerialized form), along with the supporting documents.

If the PAN is not as per the database of the Income-tax portal, it would be considered as an invalid PAN. Further, individual members are requested to link their Aadhaar number with the PAN.

In case TDS is deducted at a higher rate in the absence of receipt of the specified details/documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return, only in case your valid PAN is registered with the RTA (for shares held in physical form) and the DPs (for shares held in dematerialized form). No claim shall lie against the Company for such taxes deducted.

Members should note that any document/form not uploaded on the portal will not be considered for the purpose of processing and shall be rejected, therefore, it should be uploaded on the portal only.

Members who have uploaded documents on the portal of the RTA should also forward the originals to the Company after normalization, since physical submission of certain documents is a legal requirement.

A detailed communication with respect to the same is already sent to the members on **Wednesday, June 23, 2021**, whose e-mail IDs are registered with the RTA/ DPs respectively and is also available on the website of the Company at <https://www.birlasoft.com/company/investors/policies-reports-filings>.

All communications/queries with respect to TDS on dividend and submission of relevant documentation should be sent to our RTA at sandip.pawar@linkintime.co.in on or Tuesday, July 20, 2021 (06:00 p.m. IST).

21. 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 - Mr. Sandip Pawar) Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411001, Telephone: +91-20-26161629, E-mail: pune@linkintime.co.in in case the shares are held by them in physical form.

22. 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. The members holding shares in dematerialized form are requested to submit the said details to their respective DPs; and the members holding shares in physical form are requested to avail this facility by contacting the RTA of the Company at Link Intime India Private Limited (Attention - Mr. 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.
23. Pursuant to the provisions of Regulation 40 of the SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities and re-lodged transfer of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, the members are advised to dematerialize shares held by them in physical form. For the said purposes the members are requested to contact the RTA of the Company at Link Intime India Private Limited (Attention - Mr. 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.
24. Pursuant to Sections 101 and 136 of the Act, read with the relevant Rules issued thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail IDs either with the RTA or with their respective DPs. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow the members to contribute towards a greener environment. This is a golden opportunity for every member of the Company to contribute to the cause of "Green Initiative".
25. 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.
 - take note that SEBI has included the securities of the Company in the list of companies for compulsory settlement of trades in dematerialized form for all the investors effective June 26, 2000. Accordingly, shares of the Company can be traded only in dematerialized form with effect from June 26, 2000. Members holding shares in physical form are, therefore, requested to get their shares dematerialized at the earliest.
26. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company or the RTA of any change in address or 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.
27. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company so as to reach them atleast 7 (seven) days before the date of the AGM, through e-mail on contactus@birlasoft.com. The same will be replied by the Company suitably.
28. A certificate from the Statutory 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) Regulations, 2014, as amended from time to time and in accordance with the resolutions passed at the general meeting(s) will be available electronically for inspection by the members during the AGM.
29. 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, and the relevant documents will be available electronically for inspection by the members during the AGM.
30. The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2012-13, 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 - Mr. Sandip Pawar) Block No. 202, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411001, Telephone: +91-20-26161629, E-mail: pune@linkintime.co.in.

Members are requested to note that 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, as per Section 124 of the Act, be transferred to the IEPF.

Please note that pursuant to the provisions of Section 124(6), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Amendment Rules, 2016 (“Rules”) as amended from time to time, shares in respect of such dividend will be transferred in the name of the 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 transferred an amount of ₹ 503,821/- being the unclaimed dividend pertaining to the financial year 2012-13 to the IEPF. Further, 7,118 corresponding shares were transferred to the IEPF Authority as required under the above referred Rules.

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, by filing Form No. IEPF-5 available on www.iepf.gov.in. Members can file only one consolidated claim in a financial year as per the Rules.

31. Pursuant to the provisions of Section 108 of the Act, read with the corresponding Rules made thereunder, and Regulation 44 of the SEBI (LODR) Regulations, 2015, 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 Mr. Jayavant Bhawe - Proprietor of J. B. Bhawe & Co., Practising Company Secretaries (Membership No. – F4266), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Any person who becomes a member of the Company after the dispatch of the Notice and holding shares as on the Cut-off Date may obtain the login ID and password by sending a request at evoting@nsdl.co.in, to cast his/her vote. A person who is not a member as on the Cut-off Date should treat this Notice of the AGM for information purpose only.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

[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

As per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (“the Act”), read with Schedule V thereof and the Rules made thereunder, the maximum managerial remuneration payable to the managing director in respect of any financial year may exceed 5% of the net profits of the Company, calculated as per Section 198 of the Act, provided the same is approved by the members of the Company by way of a special resolution.

For the purpose of assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration package such as salary, benefits, bonuses, stock option, pension, perquisite etc. are taken into consideration. Pursuant to the approval of the Nomination and Remuneration Committee, from time to time, Mr. Dharmander Kapoor – CEO & Managing Director of the Company (Director Identification Number: 08443715), has been granted Stock Options (“Options”) and Restricted Stock Units (“RSUs”) under “Special Purpose Birlasoft - Employee Stock Option Plan 2019” (“ESOP 2019”) and “Birlasoft Share Incentive Plan 2019” (“SIP 2019”) as part of his compensation package. The details of these grants have been appropriately disclosed in the Annual Reports of the Company.

The perquisite value of the Options/RSUs, if any, exercised by Mr. Kapoor during any financial year will become a part of his total remuneration. The perquisite value is the differential value between the fair market price of shares on the date of exercise of Options/RSUs and the exercise price. The perquisite value is directly linked to the fair market value of the shares of the Company on the date of exercise of Options/RSUs.

During the financial year 2020-21, as per vesting schedule under ESOP 2019, certain number of options have vested. Also, in the financial year 2021-22, as per the vesting schedule under SIP 2019, certain number of Options/RSUs are due for vesting. Taking into account the perquisite value which will get added to his remuneration, the total managerial remuneration payable to him will exceed 5% of the net profits of the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on May 21, 2021, approved and recommended to the members an increase in the managerial remuneration limit payable to Mr. Kapoor in excess of 5% of the net profits of the Company (computed in the manner as laid down in Section 198 of the Act). This has been proposed by the Board to primarily facilitate exercise of Options/RSUs granted to and vested unto Mr. Kapoor pursuant to the grants

made under ESOP 2019 and SIP 2019, and will not entail any additional cash outflow for the Company.

If Mr. Kapoor exercises all the Options/RSUs which he is entitled to exercise, the aggregate remuneration payable by the Company to Mr. Kapoor including perquisite value is likely to exceed the limits stipulated under the Act.

Taking into consideration the present value of the shares of the Company and the number of Options and RSUs which can be exercised by Mr. Kapoor during the financial year 2021-22, and the remuneration payable to the non-executive directors of the Company, the value of the aggregate remuneration payable to all directors of the Company is not likely to exceed 15% of the net profits.

Pursuant to the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V thereof and the Rules made thereunder, the total managerial remuneration payable by a company to its directors, including managing director, whole-time director and manager, if any, in respect of any financial year may exceed 11% of the net profits of the Company, provided the same is approved by the members of the Company.

In the premises aforesaid, the members are requested to consider increase in the overall maximum limit of managerial remuneration payable by the Company in respect of the financial year 2021-22, to the extent it will exceed 11% of the net profits of the Company, computed in the manner as laid down in Section 198 of the Act.

Further, pursuant to the provisions of Section 197 of the Act, the members of the Company at the 28th Annual General Meeting held on August 7, 2019, had accorded their approval for payment of commission to the Non-Executive Directors of the Company, not exceeding 1% of net profits (computed in the manner as laid down in Section 198 of the Act), for a period of five years commencing from the financial year 2019-20. The Company does not propose to modify or alter the said limit of 1%.

Except Mr. Kapoor and his relatives, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution.

Mr. Kapoor is not related to any other Director or Key Managerial Personnel of the Company or relatives of the Directors or Key Managerial Personnel.

The Board of Directors recommends the resolution for approval of members of the Company, as set out at Item No. 5 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	Mrs. Amita Birla
Director Identification Number	00837718
Designation	Non-Executive Director and Chairman
Date of Birth	December 07, 1956
Age	64 years
Qualifications	GCE- A Level
Experience	40 years
Occupation	Industrialist
Expertise in specific functional areas	Expertise in management and operation of diverse nature of business.
Brief resume of the Director	Mrs. Amita Birla is the Chairman of Birlasoft Limited and the Co-Chairman of the CK Birla Group. As the Chairman, she leads long term strategy development and implementation in Birlasoft, and with her extensive experience she has successfully been leading companies across other industries. Her personal drive and leadership led to the transformation of Birlasoft from a fledgling startup to the global company that it is today, acknowledged as a differentiated Enterprise Digital IT Solution provider.
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"> 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; b) Reimbursement of expenses for participation in the Board and other meetings; c) Profit related commission as may be approved by the members.
Number of Board meetings of the Company attended during the year	Kindly refer the Corporate Governance Report section of this Annual Report.
Directorships held in other companies (as on March 31, 2021)	<ul style="list-style-type: none"> a) Neosym Industry Limited b) National Engineering Industries Limited c) Orient Cement Limited d) Birlasoft Inc. e) Birlasoft (UK) Limited
Memberships/Chairmanships of committees of other companies	National Engineering Industries Limited: <ul style="list-style-type: none"> a) Audit Committee; and b) Corporate Social Responsibility Committee.
Number of shares held in the Company	NIL
Relationship with other Directors and Key Managerial Personnel or their respective relatives	Spouse of Mr. Chandrakant 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 (“the 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 less than ₹ 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 each of the two preceding financial years and the aggregate of TDS including Tax Collected at Source (“TCS”) in his/her case is ₹ 50,000/- or more in each of these two financial years. The aggregate amount of TDS/TCS of ₹ 50,000/- in a year is not limited to TDS only on dividend income received by the member but will include all TDS/TCS transactions of the member during the relevant financial year. These provisions will be effective from July 1, 2021. The status of filing of Return of Income by the members would be verified from the functionality provided by the Indian Income Tax authorities. The Company would solely rely on the information available on the Income Tax portal in this regard.

In order to provide exemption from TDS or apply lower rate of TDS or consider benefit of relevant Double Taxation Avoidance Agreement (“DTAA”) with India as may be applicable, the documents prescribed for each category of member (as per the eligibility) must be uploaded on the portal of RTA at <https://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>. 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 and reasons for giving credit to such person on or before **Tuesday, July 20, 2021 (06:00 p.m. IST)**.

1. Resident individual member

- a. Form 15G or Form 15H;
- b. Any other documents as prescribed under the IT Act for lower withholding of taxes; and

- c. PAN or documentary evidence if you are exempt from obtaining PAN.

2. Resident non-individual member (Company, Firms, HUF, AOP, Trust)

- a. Lower withholding tax certificate for the financial year 2021-22, if any, obtained from the Income Tax authorities; and
- b. PAN.

3. Resident mutual fund member

- a. Copy of relevant registration documents;
- b. A declaration that the mutual fund is governed by the provisions of Section 10 (23D) of the IT Act; and
- c. PAN.

4. Resident insurance company member

- a. Copy of relevant registration documents;
- b. A declaration that the insurance company is beneficial owner of the shares held; and
- c. PAN.

5. Alternative Investment Fund (“AIF”)

- a. Copy of registration documents;
- b. A declaration that its income is exempt under Section 10 (23FBA) of the IT Act and AIF is established as Category I or Category II AIF under the SEBI Regulations; and
- c. PAN.

6. Non-resident member

All the documents given below should be attested by self/ authorized signatory:

- a. Copy of Tax Residency Certificate (“TRC”) for the financial year 2021-22 obtained from the revenue authorities of the country of residence;
- b. Form 10F for financial year 2021-22;
- c. Self-declaration of Beneficial Ownership;
- d. Self-declaration for not having Permanent Establishment in India in accordance with the applicable Tax Treaty;
- e. PAN; and
- f. Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable.

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 non-resident members.

INSTRUCTIONS FOR ELECTRONIC VOTING BY MEMBERS

1. 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 ("the MCA circulars") dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and the Circulars issued by Securities and Exchange Board of India (collectively referred to as "the SEBI Circulars") dated May 12, 2020 and January 15, 2021, respectively 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.
2. 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.
3. The Cut-off Date for determining the eligibility of members for voting through remote e-voting and e-voting at the AGM is **Wednesday, July 21, 2021**. The remote e-voting period commences on Saturday, July 24, 2021 (09:00 a.m. IST) and ends on Tuesday, July 27, 2021 (05:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date i.e. Wednesday, July 21, 2021, 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.
4. 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.
5. Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **Wednesday, July 21, 2021**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.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. **Wednesday, July 21, 2021** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".
6. The voting rights of members shall be in proportion to the number of shares held by the member as on the Cut-off Date, i.e. Wednesday, July 21, 2021.
7. 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"> 1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speed-e” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 10px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> </div>
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi/Easiest, they can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number & e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.

Type of shareholders	Login Method
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: Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL. Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

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.
- b. **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on 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 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. Institutional/corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned

copy (PDF/JPG Format) of its Board or governing body Resolution/Authority letter, etc. along with attested specimen signature of the duly authorized signatory(ies), authorizing its representative to attend the AGM through VC/OAVM facility on its behalf and to vote through remote e-voting, to the Scrutinizer by e-mail through its registered e-mail ID to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated e-mail IDs: evoting@nsdl.co.in or at telephone nos.: 1800 1020 990 and 1800 22 44 30 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.
4. The Board has appointed Mr. Jayavant Bhavé, Proprietor, J. B. Bhavé & Co., Practising Company Secretaries (Membership No. – F4266), as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
5. 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.
6. 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 48 (forty-eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.birlasoft.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him 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 sandip.pawar@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat

account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

Instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The Helpline details of the persons who may be contacted by the member needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-voting and reproduced hereunder for convenience:
 - a) Mr. Amit Vishal, Senior Manager, NSDL at the designated e-mail ID: evoting@nsdl.co.in or at telephone number: 1800 1020 990 and 1800 22 44 30.
 - b) Ms. Pallavi Mhatre, Manager, NSDL at the designated e-mail ID: evoting@nsdl.co.in or at telephone number: 1800 1020 990 and 1800 22 44 30.

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 General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the AGM through laptops for better experience.
3. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Facility to join the AGM through VC/OAVM shall be opened 20 (twenty) minutes before the scheduled time of the AGM and shall be kept open for the members throughout the proceedings of the AGM, on first-come-first-served basis principle.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail ID mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at vikas.jadhav@birlasoft.com from Monday, July 12, 2021 (09:00 a.m. IST) to Thursday, July 22, 2021 (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.

Birlasoft's Global Presence

India Offices

Registered Office

35 & 36, Rajiv Gandhi Infotech Park,
Phase - I, MIDC, Hinjawadi,
Pune - 411057, Maharashtra, India.
Phone: +91-20-6652 5000
Fax: +91-20-6652 5001

Software Development Centres

SEZ Premises

IT-3 Unit, SDF VII, Seepz SEZ,
Andheri (E), Mumbai – 400096, India.
Phone: +91-22-2829 6200

34 & 35, Noida Special Economic Zone,
Phase – II, Noida – 201305,
Uttar Pradesh, India.
Phone: +91-120-3073555

Wave Rock, Level 15 & 16, Tower 2.1,
Sy. No. 115(P), TSIC IT/ITES SEZ,
Nanakramguda, Serilingampally Mandal,
Rangareddy District, Hyderabad,
Telangana - 500008, India.
Phone: +91-40-6738 2500

STPI Premises

Building A, Plot No. EL-207/1,
TTC Industrial Area, Mahape,
Navi Mumbai – 400710,
Maharashtra, India.
Phone: +91-22-71054001

Prince Infocity II, 8th Floor,
A-Wing, 283/4, Rajiv Gandhi Salai,
Kandanchavadi, OMR,
Chennai 600096, India.
Phone: +91-44-61432000

Cedar Block, 4th and 5th Floor,
Kalyani Platina,
Kundalahalli Village, Kr Puram Hobli,
Whitefield, Bengaluru,
Karnataka - 560066, India.
Phone: +91-80-4180 0000

Assotech Business Cresterra
Tower 3, Plot No. 22, Sector 135,
Expressway Noida, 201301, India.
Phone: +120-6629000

Overseas Offices

United States of America

399, Thornall Street, 8th Floor,
Edison, New Jersey 08837,
United States of America.
Phone: +732-321-0921

1730 Varsity DR, STE 450,
Raleigh, NC 27606.
Phone: +919-755-5300

3258 W Two Mile House RD
Columbus, IN 47201.
Phone: +1-812-799-3606

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