CK BIRLA GROUP

birlasoft

NEW POSSIBILITIES FRESH PERSPECTIVES

ANNUAL REPORT OF SUBSIDIARIES FY 2021-22

Contents

Birlasoft (UK) Limited

Registered Office: 4th Floor, 53 - 54 Grosvenor Street, London W1K 3HU.

Strategic Report

for the year ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Review of Business

The revenue for the year amounted to £9,569,197 (2021 - £6,334,506).

The directors of the company are satisfied with the performance of the company.

There is an increase in the revenue due to addition of new customers and new projects with existing customers. The management are aware of the market conditions and have worked on strategies and plans for the upcoming year, undertaken branding initiatives, strengthening the pre-sales and sales team and are looking to forge strategic business partnerships as well. The company continued its focus on offshore model of delivery and provide solution based delivery to its clients.

Principal Risks and Uncertainties

The company provides specialised computer-related consulting and custom programming solutions to customers located throughout the world.

Birlasoft has morphed itself into a solutions oriented company and is engaged in providing architecture led digital transformation services for businesses in the new economy. In addition to e-procurement and digital marketplaces, Birlasoft also focuses on other digital systems including enterprise portals, content management, wireless enablement, CRM, enterprise application integration and Managed application support services.

The company has main risks with regards to retention of employee's, immigration policies, labour laws changes, competition in the market, credit risk etc. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Employee retention risk:

Better role/profile alignment, ensuring good utilisation of employees, better & competitive pay, employee friendly HR policies, etc.

Immigration & Labour laws Risk:

Company fulfils the customer requirement by providing resources through local hire and getting people from outside EU. Getting people from outside EU region gives competitive advantage and is also a cost effective model. With the recent changes in the immigration and labour Laws, getting people from outside EU region is no longer beneficial as compared to local hire. Company has therefore adopted a policy of hiring from the local market as compared to getting people from outside EU region in order to meet customer requirement and managing competition.

Interest rate risk

The company finances its operations through a mixture of retained profits, cash balances, Invoice financing facility and balances with group undertakings.

Foreign currency Risk

Company's transactions are mainly in sterling & US Dollars and Euros which exposes the Company to foreign exchange fluctuation. The Company does not hedge any currency exposures.

Credit Risk

The company manages its credit risk by thorough credit checks and rigorous debt collection procedures.

ON BEHALF OF THE BOARD

S S Kejriwal - Director

16 May 2022

Report of the Directors

for the year ended 31 March 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

Principal Activity

The principal activity of the company in the year under review was that of specialised computer-related consulting and custom programming solutions.

Dividends

No dividends will be distributed for the year ended 31 March 2022.

Directors

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

C K Birla

Mrs A Birla

S S Kejriwal

A K Ladha

Other changes in directors holding office are as follows:

B R Adavikolanu - resigned 5 April 2021

D Kapoor - appointed 6 April 2021

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

S S Kejriwal - Director

16 May 2022

Report of the Independent Auditors to the Members of Birlasoft (UK) Limited

Opinion

We have audited the financial statements of Birlasoft (UK) Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the COVID19 pandemic on our audit

Uncertainties related to the effects of COVID19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID19 is one of the most significant public health, social and economic event and at the date of this report, its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardise firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

- Enquiries of management, concerning the company's policies and procedures relating to:
    * Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
    * Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

- Performed analytical review procedures to identify any unusual transactions or relationships
- Tested journal entries to identify any unusual transactions
- Reviewed and tested material accounting estimates for reasonableness
- Reviewed for appropriateness and reasonableness of accounting policies used.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor, 126-134 Baker Street
London W1U 6UE

16 May 2022

Income Statement
for the year ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER	3	9,569,197	6,334,506
Cost of sales		8,452,876	5,757,430
GROSS PROFIT		**1,116,321**	**577,076**
Administrative expenses		1,633,763	1,034,380
		(517,442)	**(457,304)**
Other operating income		186,485	-
OPERATING LOSS	5	**(330,957)**	**(457,304)**
Interest receivable and similar income		6,006	131
		(324,951)	**(457,173)**
Interest payable and similar expenses	6	2,649	10,114
LOSS BEFORE TAXATION		**(327,600)**	**(467,287)**
Tax on loss	7	19,163	7,275
LOSS FOR THE FINANCIAL YEAR		**(346,763)**	**(474,562)**

Other Comprehensive Income
for the year ended 31 March 2022

	Notes	2022 £	2021| £
LOSS FOR THE YEAR		**(346,763)**	**(474,562)**
OTHER COMPREHENSIVE INCOME			
Exchange difference		(1,982)	(15,476)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**(1,982)**	**(15,476)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(348,745)**	**(490,038)**

Balance Sheet
as at 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	14,537	11,277
Investments	9	-	-
		14,537	**11,277**
CURRENT ASSETS			
Debtors	10	2,646,036	2,137,825
Cash at bank		2,066,540	1,417,686
		4,712,576	**3,555,511**
CREDITORS			
Amounts falling due within one year	11	3,104,003	1,594,933
NET CURRENT ASSETS		**1,608,573**	**1,960,578**
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,623,110**	**1,971,855**
CAPITAL AND RESERVES			
Called up share capital	12	150,000	150,000
Retained earnings	13	1,473,110	1,821,855
SHAREHOLDERS' FUNDS		**1,623,110**	**1,971,855**

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 16 May 2022 and were signed on its behalf by:

S S Kejriwal - Director

Statement of Changes in Equity
for the year ended 31 March 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	**150,000**	**2,311,893**	**2,461,893**
Changes in equity			
Total comprehensive income	-	(490,038)	(490,038)
Balance at 31 March 2021	**150,000**	**1,821,855**	**1,971,855**
Changes in equity			
Total comprehensive income	-	(348,745)	(348,745)
Balance at 31 March 2022	**150,000**	**1,473,110**	**1,623,110**

Cash Flow Statement
for the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	663,473	(1,223,676)
Interest paid		(2,649)	(10,114)
Tax paid		(7,967)	(199,939)
Net cash from operating activities		**652,857**	**(1,433,729)**
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,009)	(5,700)
Interest received		6,006	131
Net cash from investing activities		**(4,003)**	**(5,569)**
Increase/(decrease) in cash and cash equivalents		**648,854**	**(1,439,298)**
Cash and cash equivalents at beginning of year	**2**	**1,417,686**	**2,856,984**
Cash and cash equivalents at end of year	**2**	**2,066,540**	**1,417,686**

Notes to the Cash Flow Statement
for the year ended 31 March 2022

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Loss before taxation	(327,600)	(467,287)
Depreciation charges	6,749	5,612
Increase/(Decrease) in group creditors	887,334	(298,685)
(Increase)/Decrease in group debtors	379,350	(163,106)
Foreign exchange rate changes	(1,982)	(15,476)
Finance costs	2,649	10,114
Finance income	(6,006)	(131)
	940,494	**(928,959)**
Increase in trade and other debtors	(898,757)	(143,073)
Increase/(decrease) in trade and other creditors	621,736	(151,644)
Cash generated from operations	**663,473**	**(1,223,676)**

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31/3/22 £	1/4/21 £
Cash and cash equivalents	**2,066,540**	**1,417,686**

Year ended 31 March 2021

	31/3/21 £	1/4/20 £
Cash and cash equivalents	**1,417,686**	**2,856,984**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	1,417,686	648,854	2,066,540
	1,417,686	**648,854**	**2,066,540**
Total	**1,417,686**	**648,854**	**2,066,540**

Notes to the Financial Statements

for the year ended 31 March 2022

1. STATUTORY INFORMATION

Birlasoft (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Birlasoft (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Birlasoft Limited, 35 & 36 Rajiv Gandhi Infotech Park, Phase I MIDC, Hinjawadi, Pune 411057, Maharashtra, India.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make significant judgements and estimates. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The areas of judgement and estimates applied by the directors are not considered sufficiently significant to require disclosure in these financial statements.

Turnover

Turnover represents amounts receivable for services provided net of VAT. Revenue on perpetual software licences is recognised on approval by the customer providing there are no unfulfilled obligations.

Revenue for software services is recognised on the basis of services rendered. In case of time & material contracts, invoices are raised on the basis of customer approved timesheets. In case of fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance / sign-off received from customer.

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 is measured based on the transaction price, which is the consideration, adjusted for vol 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 4 years on cost

Computer equipment - 4 years on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, accrued expenses and related parties balances.

Debt instruments that are payable or receivable within one year. typically trade debtors and creditors. are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found. an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount. which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The Company Directors having made appropriate enquiries consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and with the continued support of the company's shareholder, the company will be able to meet its liabilities as they fall due for payment. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements.

Since the start of financial year, there are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements in respect of these uncertainties.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
United Kingdom	5,520,776	3,783,620
Rest of the world	4,048,421	2,550,886
	9,569,197	**6,334,506**

4. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	2,385,760	2,049,942
Social security costs	328,997	186,314
Other pension costs	54,603	17,466
	2,769,360	**2,253,722**

The average number of employees during the year was as follows:

	2022	2021
Administrative staff	13	10
Consultants	18	18
	31	**28**

	2022 £	2021 £
Directors' remuneration	50,000	50,000

5. OPERATING LOSS

The operating loss is stated after charging:

	2022 £	2021 £
Other operating leases	45,698	45,735
Depreciation - owned assets	6,749	5,612
Auditors' remuneration	14,831	9,250
Foreign exchange differences	20,362	45,277

	2022 £	2021 £
Auditors remuneration - Audit of financial statements	9,000	7,750
Auditors remuneration - Non -audit services	5,831	1,500

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank interest	2,649	10,114

7. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	2,562	7,275
Adj relating to prior years	16,601	-
Tax on loss	**19,163**	**7,275**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Loss before tax	(327,600)	(467,287)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(62,244)	(88,785)
Effects of:		
Expenses not deductible for tax purposes	7,290	8,102
Income not taxable for tax purposes	(35,432)	-
Capital allowances in excess of depreciation	(619)	(144)
Adjustments to tax charge in respect of previous periods	16,601	-
Losses carried forward	94,251	89,204
Different tax rates for Netherlands branch	(684)	(1,102)
Total tax charge	**19,163**	**7,275**

Tax effects relating to effects of other comprehensive income

	Gross £	2022 Tax £	Net £
Exchange difference	**(1,982)**	**-**	**(1,982)**

	Gross £	2021 Tax £	Net £
Exchange difference	**(15,476)**	**-**	**(15,476)**

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2021	36,969
Additions	10,009
At 31 March 2022	46,978
DEPRECIATION	
At 1 April 2021	25,692
Charge for year	6,749
At 31 March 2022	32,441
NET BOOK VALUE	
At 31 March 2022	14,537
At 31 March 2021	11,277

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2021	19,863
Disposals	(19,863)
At 31 March 2022	-
PROVISIONS	
At 1 April 2021	19,863
Eliminated on disposal	(19,863)
At 31 March 2022	-
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	-

The subsidiary of the company, Birlasoft GmbH was dissolved during the year.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,291,175	782,664
Amounts owed by group undertakings	371,955	751,305
Other debtors	93,557	80,357
Tax	96,605	107,801
Accrued income	778,781	397,358
Prepayments	13,963	18,340
	2,646,036	**2,137,825**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	3,910	3,650
Amounts owed to group undertakings	1,785,220	897,886
Social security and other taxes	222,295	252,941
VAT	223,174	99,222
Other creditors	11,001	207
Deferred income	495,080	76,303
Accrued expenses	363,323	264,724
	3,104,003	**1,594,933**

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
150,000	**Ordinary**	**£1.00**	**150,000**	**150,000**

13. RESERVES

	Retained earnings £
At 1 April 2021	1,821,855
Deficit for the year	(346,763)
Foreign exchange retranslation	(1,982)
At 31 March 2022	**1,473,110**

14. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’, not to disclose related party transactions with wholly owned subsidiaries within the group.

Amounts owed by and owed to group undertakings, at the balance sheet date, are disclosed in Note 10 and 11 of financial statements respectively. These amounts are unsecured, interest free and repayable on demand.

15. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the immediate parent company is Birlasoft Inc., a company incorporated in the United States of America. Copies of the report and financial statements for Birlasoft Inc. may be obtained from 399 Thornall Street, 8th Floor, Edison NJ 08837, USA.

The directors consider the company’s ultimate holding company and controlling party to be Birlasoft Limited which is incorporated in India. Copies of that company’s financial statements are available from 35 & 36 Rajiv Gandhi Infotech Park, Phase I MIDC, Hinjawadi, Pune 411057, Maharashtra, India.

Trading and Profit and Loss Account

for the year ended 31 March 2022

	£	2022 £	£	2021 £
Turnover				
Sales	9,569,197		6,333,300	
Other income	-		1,206	
		9,569,197		6,334,506
Cost of sales				
Purchases	6,345,707		3,429,705	
Wages	1,594,822		1,567,640	
Social security	113,661		86,129	
Pensions	17,587		5,236	
Other direct costs	98,388		52,787	
Sub contractors	282,711		615,933	
		8,452,876		5,757,430
GROSS PROFIT		**1,116,321**		**577,076**
Other income				
RDEC receipts	186,485		-	
Deposit account interest	72		131	
Interest recd on tax receipts	5,934		-	
		192,491		**131**
		1,308,812		**577,207**
Expenditure				
Directors' salaries	50,000		50,000	
Directors' social security	5,680		5,687	
Wages	740,938		432,302	
Social security	209,656		94,498	
Pensions	37,016		12,230	
Rent	45,698		45,735	
Insurance	2,427		3,269	
Telephone	40,695		39,114	
Post and stationery	1,597		2,350	
Travelling	94,586		54,471	
Staff welfare	23,345		7,509	
Other general and admin costs	119,788		79,728	
Medical insurance	16,272		4,705	
ESOP expenses	10,834		42,565	
Staff recruitment	100,558		383	
Legal and professional fees	55,958		87,092	
Auditors' remuneration	14,831		9,250	
Foreign exchange differences	20,362		45,277	
Entertainment	12,474		77	
Interco loan written off	15,060		-	
		1,617,775		1,016,242
		(308,963)		(439,035)
Finance costs				
Bank charges	9,239		12,809	
Bank interest	2,649		10,114	
		11,888		22,923
		(320,851)		(461,958)
Depreciation				
Computer equipment		6,749		5,329
NET LOSS		**(327,600)**		**(467,287)**

Birlasoft Solutions Limited

Registered Office: 4th Floor, 53 - 54 Grosvenor Street, London W1K 3HU.

Strategic Report

for the year ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Review of Business

There is an increase in the revenue, during the current financial year, due to addition of few projects and customers. The management are aware of the market conditions and have worked on strategies and plans for the upcoming year, undertaken branding initiatives and are looking to forge strategic business partnerships as well. The company continued its focus on offshore model of delivery and provide solution based delivery to its clients.

The company's key financial and other performance indicators during the year were as follows:

	2022	2021
Turnover	£14,244,687	£9,326,261
Gross profit	£1,748,191	£1,853,020
As a % of sales	12.27%	19.87%
Operating profit	£839,351	£ 2,063,923

PRINCIPAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash and liquid resources, various items such as trade debtors, trade creditors etc that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, interest rate risk, credit risk, and market risk.

Liquidity risk

The company has to manage the financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The company financial asset is cash. It is exposed to credit risk in respect of its cash balances as it uses only one financial institution in the UK.

Foreign exchange risk management

Foreign currency transaction exposures arising on internal and external trade flows are partially hedged. The company's objective is to minimise the exposure of overseas trade to transaction risk by matching local currency income with local currency costs where possible, as well as maintaining multi-currency accounts to minimise conversions.

ON BEHALF OF THE BOARD

S S Kejriwal - Director

16 May 2022

Report of the Directors

for the year ended 31 March 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the company during the period was IT enabled services, operating in conjunction with Birlasoft Limited, the parent company which is registered in India.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

D Kapoor

S Kulkarni

Other changes in directors holding office are as follows:

B R Adavikolanu - resigned 5 April 2021

S S Kejriwal - appointed 6 April 2021

DISCLOSURE IN THE STRATEGIC REPORT

The financial risk management objectives and policies of the company and principal risks that the company is exposed to relating to price risk, credit risk, liquidity risk and cash flow risk have been disclosed in the strategic report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

S S Kejriwal - Director

16 May 2022

Report of the Independent Auditors to the Members of Birlasoft Solutions Limited

Opinion

We have audited the financial statements of Birlasoft Solutions Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the COVID19 pandemic on our audit

Uncertainties related to the effects of COVID19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID19 is one of the most significant public health, social and economic event and at the date of this report. Its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardise firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company continues in operation.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, concerning the company's policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

- Performed analytical review procedures to identify any unusual transactions or relationships
- Tested journal entries to identify any unusual transactions
- Reviewed and tested material accounting estimates for reasonableness
- Reviewed for appropriateness and reasonableness of accounting policies used.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants & Statutory Auditor
Third Floor, 126-134 Baker Street
London W1U 6UE

16 May 2022

Income Statement
for the year ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER	3	14,244,687	9,326,261
Cost of sales		12,496,496	7,473,241
GROSS PROFIT		**1,748,191**	**1,853,020**
Administrative expenses		908,840	(210,903)
OPERATING PROFIT	5	839,351	2,063,923
Interest payable and similar expenses	6	221,568	328,563
PROFIT BEFORE TAXATION		617,783	1,735,360
Tax on profit	7	(77,371)	332,868
PROFIT FOR THE FINANCIAL YEAR		**695,154**	**1,402,492**

Other Comprehensive Income
for the year ended 31 March 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		695,154	1,402,492
OTHER COMPREHENSIVE INCOME			
Exchange rate movement		114	-
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		114	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**695,268**	**1,402,492**

Balance Sheet
as at 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	4,143	4,527
Investments	9	8,027,329	8,027,329
		8,031,472	**8,031,856**
CURRENT ASSETS			
Debtors	10	7,634,105	7,129,226
Cash at bank		838,692	2,188,489
		8,472,797	**9,317,715**
CREDITORS			
Amounts falling due within one year	11	7,081,450	6,873,153
NET CURRENT ASSETS		**1,391,347**	**2,444,562**
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,422,819**	**10,476,418**
CREDITORS			
Amounts falling due after more than one year	12	(7,000,000)	(8,748,867)
PROVISIONS FOR LIABILITIES	13	(597)	(597)
NET ASSETS		**2,422,222**	**1,726,954**
CAPITAL AND RESERVES			
Called up share capital	14	500,000	500,000
Retained earnings	15	1,922,222	1,226,954
SHAREHOLDERS' FUNDS		**2,422,222**	**1,726,954**

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 16 May 2022 and were signed on its behalf by:

S S Kejriwal - Director

Statement of Changes in Equity
for the year ended 31 March 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	500,000	(175,538)	324,462
Changes in equity			
Total comprehensive income	-	1,402,492	1,402,492
Balance at 31 March 2021	**500,000**	**1,226,954**	**1,726,954**
Changes in equity			
Total comprehensive income	-	695,268	695,268
Balance at 31 March 2022	**500,000**	**1,922,222**	**2,422,222**

Cash Flow Statement
for the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	850,776	3,365,979
Interest paid		(221,568)	(817,587)
Tax paid		(228,839)	-
Taxation refund		-	7,741
Net cash from operating activities		**400,369**	**2,556,133**
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,413)	(3,161)
Net cash from investing activities		**(1,413)**	**(3,161)**
Cash flows from financing activities			
New loans in year		7,000,000	1,737,901
Loan repayments in year		(8,748,867)	(3,162,791)
Net cash from financing activities		**(1,748,867)**	**(1,424,890)**
(Decrease)/increase in cash and cash equivalents		**(1,349,911)**	**1,128,082**
Cash and cash equivalents at beginning of year	2	2,188,489	1,060,407
Effect of foreign exchange rate changes		114	-
Cash and cash equivalents at end of year	**2**	**838,692**	**2,188,489**

Notes to the Cash Flow Statement
for the year ended 31 March 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	617,783	1,735,360
Depreciation charges	1,797	1,384
(Increase) / Decrease in group debtors	3,371,716	(37,979)
Increase / (Decrease) in group creditors	314,405	804,420
Finance costs	221,568	328,563
	4,527,269	**2,831,748**
(Increase)/decrease in trade and other debtors	(3,876,595)	484,092
Increase in trade and other creditors	200,102	50,139
Cash generated from operations	**850,776**	**3,365,979**

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31/3/22 £	1/4/21 £
Cash and cash equivalents	838,692	2,188,489

Year ended 31 March 2021

	31/3/21 £	1/4/20 £
Cash and cash equivalents	2,188,489	1,060,407

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank	2,188,489	(1,349,797)	838,692
	2,188,489	(1,349,797)	838,692
Total	**2,188,489**	**(1,349,797)**	**838,692**

Notes to the Financial Statements

for the year ended 31 March 2022

1. **STATUTORY INFORMATION**

Birlasoft Solutions Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The Company Directors having made appropriate enquiries consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and with the continued support of the company's shareholder, the company will be able to meet its liabilities as they fall due for payment.

The parent company, Birlasoft Limited, has agreed to invest in the company, by way of an additional capital contribution, an amount not exceeding £8.50m. The amount will be provided as and when required by the company. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements.

Since the financial year end, there are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements.

Preparation of consolidated financial statements

The financial statements contain information about Birlasoft Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Birlasoft Limited India,, 35 & 36, Rajiv Gandhi InfoTech Park, Phase -I, Hinjawadi, Pune - 411057, Maharashtra, India.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make significant judgements and estimates. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The areas of judgement and estimates applied by the directors are not considered sufficiently significant to require disclosure in these financial statements.

Turnover

Turnover represents amounts receivable for services provided net of VAT. Revenue on perpetual software licences is recognised on approval by the customer providing there are no unfulfilled obligations.

Revenue for software services is recognised on the basis of services rendered. In case of time & material contracts, invoices are raised on the basis of customer approved timesheets. In case of fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance / sign-off received from customer.

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 is measured based on the transaction price, which is the consideration, adjusted for vol 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.

Tangible fixed assets

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Fixtures and fittings -33.33% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, accrued expenses and related parties balances.

Debt instruments that are payable or receivable within one year. typically trade debtors and creditors. are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found. an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount. which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting dale.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
United Kingdom	9,684,640	6,428,508
Europe	1,616,271	1,697,902
United States of America	2,395,297	1,193,638
Rest of the World	548,479	6,213
	14,244,687	**9,326,261**

4. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	1,017,101	1,192,741
Social security costs	87,212	106,623
Other pension costs	15,710	16,717
	1,120,023	**1,316,081**

The average number of employees during the year was as follows:

	2022	2021
IT support	13	16
Administration	2	3
	15	**19**

	2022 £	2021 £
Directors' remuneration	-	-

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022 £	2021 £
Other operating leases	2,063	8,156
Depreciation - owned assets	1,797	1,384
Auditors' remuneration	11,500	12,000
Foreign exchange differences	468,976	(740,095)
Auditors remuneration - Non-audit services	6,187	16,060

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Interest payable	221,568	328,563

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	66,528	332,868
Adjustment for prior years	(143,899)	-
Tax on profit	**(77,371)**	**332,868**

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	617,783	1,735,360
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	117,379	329,718
Effects of:		
Expenses not deductible for tax purposes	226	3,487
Capital allowances in excess of depreciation	-	(337)
Depreciation in excess of capital allowances	73	-
Adjustments to tax charge in respect of previous periods	(143,899)	-
Group relief	(51,150)	-
Total tax (credit)/charge	**(77,371)**	**332,868**

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2022 Net £
Exchange rate movement	114	-	114

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2021	17,331
Additions	1,413
At 31 March 2022	18,744
DEPRECIATION	
At 1 April 2021	12,804
Charge for year	1,797
At 31 March 2022	14,601
NET BOOK VALUE	
At 31 March 2022	4,143
At 31 March 2021	4,527

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	8,027,329
NET BOOK VALUE	
At 31 March 2022	8,027,329
At 31 March 2021	8,027,329

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Birlasoft Solutions GmbH (formerly KPIT Solutions GmbH)

Registered office: Meisenstr, 96 D - 33607 Bielefeld
Nature of business: IT services

Class of shares:	% holding
Ordinary	100.00

	2022 £	2021 £
Aggregate capital and reserves	(247,065)	(423,260)
Profit/(loss) for the year	158,118	(344,995)

Birlasoft Solutions Limited is acting as a 'Guarantor'. As per the agreement the guarantor shall pay all such amounts payable by Birlasoft Solutions Gmbh (formerly KPIT Solutions GmbH) as though the guarantor instead of Birlasoft Solutions Gmbh (formerly KPIT Solutions GmbH was expressed to be the principal debtor.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	5,259,077	2,986,578
Amounts owed by group undertakings	192,024	3,563,740
Other debtors	12,634	216
Prepayments and accrued income	2,170,370	578,692
	7,634,105	**7,129,226**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts owed to group undertakings	6,048,034	5,733,629
Tax	34,452	340,662
Social security and other taxes	220,738	188,928
VAT	160,062	279,444
Other creditors	119,290	16,977
Accrued expenses	498,874	313,513
	7,081,450	**6,873,153**

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Amounts owed to group undertakings	7,000,000	8,748,867

Birlasoft Technologies Canada Corporation has given a loan to Birlasoft Solutions Limited on 17 March 2022, for operational purposes. Birlasoft Solutions Limited shall be liable to pay interest at 2.5% per annum on the principal amount outstanding. The interest shall be paid on an annual basis. Birlasoft Solutions Limited shall repay the entire loan within a period not exceeding 5 years from the date of disbursement of the loan.

The loan balance outstanding at the end of the period is £7,000,000.

13. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	597	597

	Deferred tax £
Balance at 1 April 2021	597
Balance at 31 March 2022	597

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
500,000	Ordinary	1	500,000	500,000

15. RESERVES

	Retained earnings £
At 1 April 2021	1,226,954
Profit for the year	695,154
Exchange rate movement	114
At 31 March 2022	**1,922,222**

16. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group, other than those described in Note. 12.

Amounts owed by and owed to group undertakings, at the balance sheet date, are disclosed in Note 10 and 11 of the financial statements respectively. These amounts are unsecured, interest free and are repayable on demand.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party and ultimate and immediate parent company is Birlasoft Limited, a company registered in India.

Birlasoft Limited is the parent undertaking of the only group for which consolidated financial statements are prepared. These financial statements may be obtained by the public from Birlasoft Limited India, 35 & 36, Rajiv Gandhi Infotech Park,Phase - I, MIDC, Hinjawadi, Pune - 411057, Maharashtra, India.

Trading and Profit and Loss Account

for the year ended 31 March 2022

	2022 £	£	2021 £	£
Sales		14,244,687		9,326,261
Cost of sales				
Purchases	8,523,704		5,070,078	
Wages	740,881		795,926	
Social security	68,232		94,349	
Pensions	11,702		14,201	
Sub contractors	3,151,977		1,498,687	
		12,496,496		7,473,241
GROSS PROFIT		**1,748,191**		**1,853,020**
Expenditure				
Wages	276,220		396,815	
Social security	18,980		12,274	
Pensions	4,008		2,516	
Rent	2,063		8,156	
Insurance	6,055		6,435	
Office expenses	(10,518)		2,603	
Travelling	68,645		18,796	
Repairs and renewals	(3,000)		-	
Staff welfare	261		76	
Recruitment expenses	20,631		-	
Sundry expenses	1,375		273	
Subscriptions	1,779		11,032	
Professional fees	36,420		31,855	
Legal fees	2,579		12,698	
Auditors' remuneration	11,500		12,000	
Foreign exchange losses	468,976		(740,095)	
Bad debts	(1,061)		10,658	
		904,913		**(213,908)**
		843,278		2,066,928
Finance costs				
Bank charges	2,130		1,621	
Interest payable	221,568		328,563	
		223,698		**330,184**
		619,580		1,736,744
Depreciation				
Fixtures and fittings		1,797		1,384
NET PROFIT		**617,783**		**1,735,360**

Birlasoft Solutions France

Registered Office: 19 Boulevard Malesherbes 75008 Paris, France.

Board's Report

Dear Members,

Your Board of Directors is pleased to present their Sixteenth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	**2021-22 Euro (Million)**	**2020-21 Euro (Million)**
Total Income	10.41	19.74
Net Profit / (Loss) for the year	(0.82)	3.06

Operations

During the year under review, total income of the Company has decreased from € 19.74 million to € 10.41 million which resulting in net loss of € 0.82 million.

Board of Directors

During the year under review, there was no change in the composition of the Board of Directors of the Company. Mr. Dharmander Kapoor and Mr. Shreeranganath Kulkarni are the Directors.

Audit

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. Therefore, the Company appointed Cabinets FIGEREC as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors of
Birlasoft Solutions France

Noida
April 29, 2022

Dharmander Kapoor
Director

Statutory Auditor's report on the financials statement

as at 31 March 2022

Dear shareholder,

1 – Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Birlasoft Solutions France S.A.S. for the year ended March 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31th 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

2 – Basis for Opinion

2.1 – Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

2.2 – Indépendance

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors rules applicable to us, for the period from 1st April 2021 to the date of our report.

3 – Justification of assessements

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used, the reasonableness of the significant estimates and the presentation of financial statements taken as a whole.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

4 – Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the documents with respect to the financial position and the financial statements provided to Shareholders.

5 - Responsibilities of Management and Those Charged with Governance for the Financial

Statements

Management is responsible for the preparation and fair presentation of thefinancial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

6 – Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Levallois-Perret, on the 29th of april 2022

FIDUCIAIRE DE GESTION ET DE REVISION COMPTABLE « FIGEREC »

Olivier BOSSARD

Associé gérant - Commissaire aux Comptes

Membre de la Compagnie de Versailles

Balance Sheet

as at 31 March 2022

(Amount in EURO)

ASSETS	**Current Year 31/03/22 Brut**	**Depr. & prov.**	**Net**	**Past Year 31/03/21 Net**
Fixed assets				
Concessions, patents and similar rights	23 000,00	23 000,00		
Other tangible fixed assets	494 745,29	110 512,65	384 232,64	169 780,61
Other fixed assets	9 230,80		9 230,80	9 230,80
TOTAL (I)	**526 976,09**	**133 512,65**	**393 463,44**	**179 011,41**
Current assets				
Trade and related accounts	9 694 933,23		9 694 933,23	5 716 705,49
Other receivables				
. Debtors suppliers	33,89		33,89	370 924,38
. Staff	5 597,45		5 597,45	16,06
. Payroll taxes	1 583,00		1 583,00	
. State, profit tax	1 209 316,05		1 209 316,05	
. State, turnover tax	90 076,25		90 076,25	345 918,87
. Other	519,79		519,79	
Cash	4 100 779,29		4 100 779,29	2 531 320,79
Prepaid expenses	160 717,99		160 717,99	251 510,32
TOTAL (II)	**15 263 556,94**		**15 263 556,94**	**9 216 395,91**
Charges to be spread over several periods (III)				
Premium for redemption of bonds (IV)				
Unrealized exchange losses(V)				
TOTAL ASSETS (0 à V)	**15 790 533,03**	**133 512,65**	**15 657 020,38**	**9 395 407,32**

Equity and Liabilities

as at 31 March 2022

(Amount in EURO)

	Current Year 31/03/22 (12 Months)	Past Year 31/03/21 (12 Months)
Shareholders' equity		
Share capital (paid-up capital: 100 000,00)	100 000,00	100 000,00
Legal reserve	14 987,32	14 987,32
Retained (profits / losses) brought forward merger	6 194 011,22	3 135 363,99
Net income or loss of the tax year	**-818 914,21**	**3 058 647,23**
TOTAL(I)	**5 490 084,33**	**6 308 998,54**
TOTAL(II)		
Provisions for liabilities and charges		
Reserves for contingencies	600 098,00	189 000,00
TOTAL (III)	**600 098,00**	**189 000,00**
Loans and debts		
Other financial borrowing and debts		
Trade notes and related accounts payable	1 903 148,23	418 791,90
Tax payable and social liabilities		
. Staff	98 293,60	89 418,86
. Payroll taxes	98 948,02	87 409,37
. State, profit tax		1 004 353,00
. State, turnover tax	1 710 355,86	1 202 183,01
. Other taxes	5 587,18	3 742,08
Other debts	71 024,76	88 564,06
Prepaid income	5 679 480,40	2 946,50
TOTAL(IV)	**9 566 838,05**	**2 897 408,78**
TOTAL LIABILITIES (I à V)	**15 657 020,38**	**9 395 407,32**

Income Statement

as at 31 March 2022

(Amount in EURO)

			Current year 31/03/22 (12 months)	Past year 31/03/21 (12 months)	Variation on 12 months % (12/12)
	France	**Export**	**Total**	**Total**	**Variation**
Sales of manufactured services	7 843 739,18	2 539 234,80	10 382 973,98	19 703 740,55	-9 320 767
Net turnover	7 843 739,18	2 539 234,80	10 382 973,98	19 703 740,55	-9 320 767
Recaptures on deprecations and reserves, expense transfer			18 000,00	39 681,13	-21 681
Other operating income			6 234,75	1 382,02	4 852
Total operating income			**10 407 208,73**	**19 744 803,70**	**-9 337 595**
Other purchases and external expenses			9 646 838,57	14 077 220,32	-4 430 382
Taxes and assimilated payments			56 850,96	29 133,33	27 717
Salaries and wages expenses			721 491,67	802 135,50	-80 644
Social security expenses			305 919,21	353 640,14	-47 721
Operating allowances on fixed assets: depreciation allowances			73 597,12	9 046,98	64 551
Operating allowances for contingencies: reserve allowances			411 098,00	189 000,00	222 098
Other expenses			9 716,82	7 339,35	2 377
Total operating expenses			**11 225 512,35**	**15 467 515,62**	**-4 242 003**
OPERATING RESULT			**-818 303,62**	**4277 288,08**	**-5 095 591**
Other holdings and capitalized receivables				10 166,67	-10 166
Profits on foreign exchange				132,50	-132
Total financial income				**10 299,17**	**-10 299**
Loss on foreign exchange			568,98	19 561,07	-18 993
Total financial expenses			**568,98**	**19 561,07**	**-18 993**
FINANCIAL RESULT			**-568,98**	**-9 261,90**	**8 693**
Ordinary result before tax			**-818 872,60**	**4 268 026,18**	**-5 086 898**
Total extraordinary income					
Extraordinary capital losses			41,61	103,95	-62
Total extraordinary expenses			**41,61**	**103,95**	**-62**
EXTRAORDINARY RESULT			**-41,61**	**-103,95**	**62**
Income tax				1 209 275,00	-1 209 275
Total Income			**10 407 208,73**	**19 755 102,87**	**-9 347 894**
Total expenses			**11 226 122,94**	**16 696 455,64**	**-5 470 333**
NET RESULT			**-818 914,21**	**3 058 647,23**	**-3 877 561**
			Loss	**Profit**	

Assets

as at 31 March 2022

(Amount in EURO)

	Brut	Current Year 31/03/22 (12 Months) Depr. & prov	Net	Past Year 31/03/21 (12 Months) Net
Fixed assets				
Concessions, patents and similar rights	**23 000,00**	**23 000,00**		
CONCESS.BREVETS LICENCES	23 000,00		23 000,00	23 000,00
AMORT.CONC.BREVETS LICENCE		23 000,00	-23 000,00	-23 000,00
Other tangible fixed assets	**494 745,29**	**110 512,65**	**384 232,64**	**169 780,61**
Office and computer equipment	494 745,29		494 745,29	206 654,53
Office equipment				2 896,00
Amortization of office and computer		110 512,65	-110 512,65	-36 930,83
AMORT. MOBILIER				-2 839,09
Other fixed assets	**9 230,80**		**9 230,80**	**9 230,80**
Deposit	9 230,80		9 230,80	9 230,80
TOTAL (I)	**526 976,09**	**133 512,65**	**393 463,44**	**179 011,41**
Current assets				
Trade and related accounts	**9 694 933,23**		**9 694 933,23**	**5 716 705,49**
Customers and related accounts	2 463 723,37		2 463 723,37	1 496 813,22
Customers - Invoices to be issued	7 231 209,86		7 231 209,86	4 219 892,27
Other receivables				
. Debtors' suppliers	**33,89**		**33,89**	**370 924,38**
Suppliers and related accounts -	33,89		33,89	370 924,38
. Staff	**5 597,45**		**5 597,45**	**16,06**
Staff remuneration payable				16,06
PERS AVANCES ET ACOMPTES	5 597,45		5 597,45	
. Payroll taxes	**1 583,00**		**1 583,00**	
ORG.SOC.PRODUITS A RECEVO	1 583,00		1 583,00	
. State, profit tax	**1 209 316,05**		**1 209 316,05**	
Income tax	1 209 316,05		1 209 316,05	
. State, turnover tax	**90 076,25**		**90 076,25**	**345 918,87**
TVA DED/ ACH PREST IMM 20%	24 442,81		24 442,81	
VAT - deductible	43 858,33		43 858,33	16 368,39
TVA COLL / ACH PREST IMM				326 684,43
VAT acc on invoice to be received	21 775,11		21 775,11	2 866,05
. Other	**519,79**		**519,79**	
Other debtors				
NDF CHRISTOPHE CLEMENT	519,79		519.79	
Cash	4 100 779,29		4 100 779,29	2 531 320,79
Bank SG	2 751,71		2 751,71	854,52
Bank HSBC	4 098 027,58		4 098 027,58	2 530 466,27
Prepaid expenses	160 717,99		160 717,99	251 510,32
Prepaid expenses	160 717,99		160 717,99	251 510,32
TOTAL (II)	**15 263 556,94**		**15 263 556,94**	**9 216 395,91**
Charges to be spread over several periods	(III)			
Premium for redemption of bonds	(IV)			
Unrealized exchange losses(V)				
TOTAL ASSETS (0 à V)	**15 790 533,03**	**133 512.65**	**15 657 020,38**	**9 395 407,32**

Equity and Liabilities

as at 31 March 2022

(Amount in EURO)

	Current Year 31/03/22 (12 Months)	Past Year 31/03/21 (12 Months)
Shareholders' equity		
Share capital (paid-up capital : 100 000,00)	100 000,00	100 000,00
Share capital	100 000,00	100 000,00
Legal reserve	14 987,32	14 987,32
Legal Reserves	14 987,32	14 987,32
Retained (profits / losses) brought forward merger	6 194 011,22	3 135 363,99
Profit or loss carried forward	6 194 011,22	3 135 363,99
Net income or loss of the tax year	**-818 914,21**	**3 058 647,23**
TOTAL(I)	**5 490 084,33**	**6 308 998,54**
TOTAL(II)		
Provisions for liabilities and charges		
Reserves for contingencies	**600 098,00**	**189 000,00**
PROV.POUR LITIGES	600 098,00	189 000,00
TOTAL (III)	**600 098,00**	**189 000,00**
Other financial borrowing and debts		
Trade notes and related accounts payable	**1 903 148,23**	**418 791,90**
Suppliers and related accounts	1 772 497,50	193 829,19
Sup - invoices to be received	130 650,73	205 905,29
Ceedit note KPINDE UNBILLED		19 057,42
Tax payable and social liabilities		
. Staff	**98 293,60**	**89 418,86**
Accrued paid holidays	78 411,97	76 421,64
Accrued salary	14 568,00	6 916,00
Accrued paid RTT	5 313,63	6081,22
. Payroll taxes	**98 948,02**	**87 409,37**
Social security	30 601,11	24 839,00
Others social agencies (capimmec)	9 184,17	7 233,00
Others social agencies (prévoyance)	9 789,21	7 978,94
Acc soc charge on paid holida	39 205,99	38 210,82
Social agencies - Accrued amounts	7 283,00	3 458,00
Other accrued social agencies	227,27	2 649,00
Acc soc charge on paid RTT	2 656,82	3 040,61
. State, profit tax		**1 004 353,00**
Income tax		1 004 353,00
. State, turnover tax	**1 710 355,86**	**1 202 183,01**
Turnover tax VAT payable	192 299,00	11 644,00
TVA DED / ACH PREST IMM 2		326 684,43
TVA coll 20%	288 705,74	160 539,20
TVA COLL / ACH PREST IMM 2	24 442,81	
VAT Accrued on customers not yet	1 204 908,31	703 315,38
. Other taxes	**5 587,18**	**3 742,08**
Withdrawal at source	4 849,18	2 998,08
Others taxes Accrued amount payab	738,00	744,00
Other debts	**71 024,76**	**88 564,06**
Customers and related accounts -	70 916,06	78 564,06
Other debtors		10 000,00
NDF SAURABH PATIL	108,70	

Equity and Liabilities (Continued)
as at 31 March 2022

(Amount in EURO)

	Current Year 31/03/22 (12 Months)	Past Year 31/03/21 (12 Months)
Prepaid income	**5 679 480,40**	**2 946,50**
Deferred income ss traitance		2 946,50
Deferred income POC	5 679 480,40	
TOTAL(IV)	**9 566 838,05**	**2 897 408,78**
TOTAL LIABILITIES (I à V)	**15 657 020,38**	**9 395 407,32**

Income Statement
as at 31 March 2022

(Amount in EURO)

	France	Export	Current Year 31/03/22 (12 Months) Total	Past Year 31/03/21 (12 Months) Total	Variation on (12/12) Variation
Sales of manufactured services	**7 843 739,18**	**2 539 234,80**	**10 382 973,98**	**19 703 740,55**	**-9 320 767**
Sales of services 20%	6 837 775,23		6 837 775,23	16 224 936,57	-9 387 161
PRESTATION LEGRAND 20%	1 005 963,95		1 005 963,95	1 039 052,72	-33 089
Sales 0 %		2 287 992,58	2 287 992,58	2 307 816,63	-19 824
Recharging cost inde		251 242,22	251 242,22	131 934,63	119 308
Net turnover	**7 843 739,18**	**2 539 234,80**	**10 382 973,98**	**19 703 740,55**	**-9 320 767**
Recaptures on deprecations and reserves, expense transfer			**18 000,00**	**39 681,13**	**-21 681**
Other advantage salaries			18 000,00	39 681,13	-21 681
Other operating income			**6 234,75**	**1 382,02**	**4 852**
Others current income			6 234,75	1 382,02	4 852
Total operating income			**10 407 208,73**	**19 744 803,70**	**-9 337 595**
Other purchases and external expenses			**9 646 838,57**	**14 077 220,32**	**-4 430 382**
INVACARE SERVICES			4 113 062,04	9 749 329,72	-5 636 267
SOUS TRAITANCE TIBCO			27 217,45	24 854,09	2 363
SOUS TRAITANCE ATTENTION			2 364,30		2 364
SOUS TRAITANCE CHEOPS			685 918,28	298 394,01	387 524
SOUS TRAITANCE APS			1485,61	4 192,19	-2 707
SOUS TRAITANCE DIS GROUP			61 591,17	47 848,00	13 743
SOUS TRAITANCE ORACLE			30 886,24	15 443,12	15 443
SOUS TRAITANCE SOPRA			84 000,00	84 000,00	
SOUS TRAITANCE VERIZON			46 758,90	8 802,74	37 956
SOUS TRAITANCE SEEBURGER			22 860,00	5 715,00	17 145
SOUS TRAITANCE QUANOS			35 919,00	2 993,25	32 926
SOUS TRAITANCE ABSYSS			27 662,42	6 599,40	21 063
SOUS TRAITANCE INFORMATICA			33 639,37		33 639
SOUS TRAITANCE SMILE			16 800,00		16 800
Operational subcontracting – KP			2 821 768,81	2 586 149,31	235 619
ACHAT PREST KPIT GERMANY			8 269,13		8 269
OPERATIONNAL SUBCONTRACTIN			550 483,36		550 483
EXPENSES KPUK			329 635,34	280 984,00	48 651
EXPENSES KPIT USA			6 511,99	10 021,76	-3 510
Software Service Charges SWEDEN			27 081,14	19 414,14	7 667
BIRLASOFT SUISSE PROJET DI			55 241,22		55 241
Non inventory materials and sup			5 149,84	1 354,61	3795
Non inventory materials			-15,59	162,36	-177
Administrative furniture and mate			131,30		131
SOUS TRAITANCE KPIT UK			322 726,51	330 738,94	-8 012
G & A COSTS KPIT INDIA			166 142,00	362 770,00	-196 628
PHOTOCOPIER RENTAL			8 198	16 396,00	-8 198
Rent and rental charges(offices)			22 577,72	48 289,62	-25 712
Insurance			648,84	622,68	26
Fees			46 054,96	49 008,46	-2 954
Others fees			856,00	6 030,00	-5 174
Auditor Fees			7 738,56	7 268,37	470
Lawyer Fees			16 754,01	27 037,81	-10 283
Other fees			7,98	2,94	5

Income Statement (Continued)
as at 31 March 2022

(Amount in EURO)

	France	Export	Current Year 31/03/22 (12 Months) Total	Past Year 31/03/21 (12 Months) Total	Variation on (12/12) Variation
Legal publications			324,01	132,36	192
Other transports			247,13	298,62	-51
Travel, external missions			35 107,00	47 625,91	-12 518
External missions			273,94		273
Missions			50,00		50
Postal and telecommunications			299,52	285,10	14
FRAIS INTERNET			1 501,50	14 153,92	-12 652
Bank and similar services			24 781,94	20 301,89	4 480
Taxes and assimilated payments			**56 850,96**	**29 133,33**	**27 717**
Taxes on wages and salaries (taxe			5 068,41	4 852,80	216
Taxes on wages and salaries (form			6 659,55	7 860,53	-1 201
Others taxes (taxe professionnell			45 123,00	16 240,00	28 703
Salaries and wages expenses			**721 491,67**	**802 135,50**	**-80 644**
Wages and salaries			692 990,08	697 036,17	-4 046
Holiday pay - accruals			1 990,33	8 491,15	-6 501
RTT pay accruals			-767,59	1 167,18	-1 934
Other salaries				66 880,00	-66 880
Other advantages			1 626,85	2 143,24	-517
Furlough status allowance				13 402,70	-13 402
AVANTAGE EN NATURE LOGEMEN			18 000,00	39 681,13	-21 681
Accrued bonus VPI			7 652,00	-26 666,07	34 318
Social security expenses			**305 919,21**	**353 640,14**	**-47 721**
Social security			164 162,74	211 623,26	-47 461
Others social contributions (capi			60 618,22	67 105,34	-6 487
Others social contributions (asse			29 627,66	31 181,95	-1 554
Others social contributions (prev			9 017,77	9 304,30	-287
Others social contributions (mutu			25 166,64	26 346,39	-1 180
Accrued soc contr / paid RTT			-383,79	583,59	-966
Accrued soc contr / paid holid			995,17	4 245,58	-3 250
Accrued soc contrib			3 825,00	-13 333,04	17 158
Other benefits costs			1 334,46	2 008,23	-674
Indèmnité de repas			10 974,88	13 537,77	-2 563
Other staff cost			580,46	1 036,77	-456
Operating allowances on fixed assets : depreciation allowances			**73 597,12**	**9 046,98**	**64 551**
Depreciation of tangible assets			73 597,12	9 046,98	64 551
Operating allowances for contingencies : reserve allowances			**411 098,00**	**189 000,00**	**222 098**
Dot. Prov. Char. Ex.			189 000,00	189 000,00	222 098
Other expenses			**9 716,82**	**7 339,35**	**2 377**
Other current operating charges			9 716,82	7 339,35	2 377
Total operating expenses			**11 225 512,35**	**15 467 515,62**	**-4 242 003**
OPERATING RESULT			-818 303,62	4 277 288,08	-5 095 591
Other holdings and capitalized receivables				**10 166,67**	**-10 166**
PROD.DES AUTRES IMMO FINAN				10 166,67	-10 166
Profits on foreign exchange				**132,50**	**-132**
Exchange gains				132,50	-132
Total financial income				**10 299,17**	**-10 299**
Loss on foreign exchange			**568,98**	**19 561,07**	**-18 993**
Foreign exchanges losses			568,98	19 561,07	-18 993

Income Statement (Continued)
as at 31 March 2022

(Amount in EURO)

	France	Export	Current Year 31/03/22 (12 Months) Total	Past Year 31/03/21 (12 Months) Total	Variation on (12/12) Variation
Total financial expenses			**568,98**	**19 561,07**	**-18 993**
FINANCIAL RESULT			**-568,98**	**-9 261,90**	**8 693**
Ordinary result before tax			**-818 872,60**	**4 268 026,18**	**-5 086 898**
Total extraordinary income					
Extraordinary capital losses			41,61	103,95	-62
net value sold assets			41,61	103,95	-62
Total extraordinary expenses			**41,61**	**103,95**	**-62**
EXTRAORDINARY RESULT			**-41,61**	**-103,95**	**62**
Income tax				1 209 275,00	-1 209 275
Income tax				1 209 275,00	-1 209 275
Total Income			**10 407 208,73**	**19 755 102,87**	**-9 347 894**
Total expenses			**11 226 122,94**	**16 696 455,64**	**-5 470 333**
NET RESULT			**-818 914,21**	**3 058 647,23**	**-3 877 561**
			Loss	Profit	

Appendices

In the balance sheet before distribution for the financial year ended 31/03/2022 of which the total is 15 657 020.38 Euros

And to the profit and loss account for the year showing a loss of -818 914.21 Euros, presented in list form.

The financial year has a duration of 12 months, covering the period from 01/04/2021 to 31/03/2022.

The following notes and tables form an integral part of the annual accounts.

The previous financial year had a duration of 12 months covering the period from 01/04/2020 to 31/03/2021.

SUMMARY

1- HIGHLIGHTS OF THE YEAR

1.1 COVID-19 CRISIS

The COVID-19 event is a significant event of the year.

In accordance with the recommendations of the PCG on the information to be mentioned in the appendix, the company notes that this health crisis has a significant impact on its activity, without however jeopardizing the capacity of the entity to continue its exploitation.

In addition, the company has implemented a business continuity plan using the following measures:

- control of overheads.

In view of these measures and the situation of the company on the date of the closing of the accounts, it considers that the continuation of its operation is not called into question.

2- ACCOUNTING POLICIES AND RULES

The general accounting conventions have been applied in accordance with the principle of prudence, in line with the basic assumptions:

- going concern basis,

- consistency of accounting policies from one year to the next,

- independence of financial years,

and in accordance with the general rules for the preparation and presentation of annual financial statements in compliance with the ANC 2014-03 accounting regulation.

Prepaid income and the customer provision for invoices to be established had been offset at the end of the previous financial year.

At the end of the current financial year, these provisions are no longer compensated, which generates a significant variation: increase of 5 million prepaid income as well as an increase of 3 million in the provision for customer invoices to be established.

The basic method used for the valuation of items recorded in the accounts is the historical cost method.

The main methods used are as follows:

2.1 INTANGIBLE AND TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at their acquisition or production cost, taking into account the costs necessary to bring these assets into a usable condition, and after deducting trade discounts, rebates and payment discounts obtained.

Interest on borrowings specific to the production of fixed assets is not included in the cost of production of these fixed assets.

Depreciation is calculated on a straight-line or declining balance basis over the expected useful life of the asset:

Computer programs	3 years
Fixings, fittings, installations	8 to 10 years
Office and computer equipment	3 years
Furniture	10 years
Deposit and suretyship	NA

2.2 FINANCIAL FIXED ASSETS AND MARKETABLE SECURITIES

The gross value is the purchase cost excluding incidental expenses. When the inventory value is lower than the gross value, an impairment loss is recognized for the amount of the difference.

2.3 RECEIVABLES AND PAYABLES

Receivables and payables are valued at their nominal value. Depreciation is applied when the inventory value is lower than the book value.

3- ADDITIONAL INFORMATION RELATING TO THE BALANCE SHEET AND INCOME STATEMENT

3.1 STATEMENT OF FIXED ASSETS AND DEPRECIATION

State of fixed assets

	Gross value of fixed assets at the beginning of the year	Increases: Re-evaluation during the year	Increases: Acquisitions, creations, item-to-item transfers
Other intangible assets	23 000		
Office equipment, computers, furniture	209 551		288 091
TOTAL	**209 551**		**288 091**
Loans and other financial assets	9 231		
TOTAL	**9 231**		
GRAND TOTAL	**241 781**		**288 091**

	Decreases: By transfer from item to item	Decreases: By cession or decom-missioning	Gross value Fixed assets end of the year	Statutory revaluation Original Value end of the year
Other intangible assets			23 000	23 000
Office equipment, computers, furniture		2 896	494 745	494 746
TOTAL		**2 896**	**494 745**	**494 746**
Loans and other financial assets			9 231	9 231
TOTAL			**9 231**	**9 231**
GRAND TOTAL		**2 896**	**526 976**	**526 976**

Depreciation statements

	Situations and movements during the year			
	Beginning of fiscal year	Endowments fiscal year	Outgoing items Revivals	End of fiscal year
Other intangible assets	23 000			23 000
Office equipment, computers, furniture	39 770	73 597	2 854	110 513
TOTAL	**39 770**	**73 597**	**2 854**	**110 513**
GRAND TOTAL	**62 770**	**73 597**	**2 854**	**133 513**

	Breakdown of depreciation for the year			Movements affecting the derogatory depreciation	
	Straight-line	Degressive	Exception.	Endowments	Revivals
Office equipment, computers, furniture	73 597				
TOTAL	**73 597**				
GRAND TOTAL	**73 597**				

3.2 MATURITY OF RECEIVABLES AND PAYABLES

RECEIVABLES STATEMENT	Gross amount	Up to one year	Over a year
Other financial fixed assets	9 231		9 231
Other trade receivables	9 694 933	9 694 933	
Personnel and related accounts	5 597	5 597	
Social security and other social agencies	1 583	1 583	
- Corporate tax	1 209 316	1 209 316	
- V.A.T	90 076	90 076	
Miscellaneous debtors	554	554	
Prepaid expenses	160 718	160 718	
GRAND TOTAL	**11 172 008**	**11 162 778**	**9 231**

STATE OF DEBTS	Gross amount	Up to one year	Between 1 and 5 years	More than 5 years
Suppliers and related accounts	1 903 148	1 903 148		
Personnel and related accounts	98 294	98 294		
Social security and other social agencies	98 948	98 948		
State and other public authorities :				
- V.A.T	1 710 356	1 710 356		
- Other taxes and duties	5 587	5 587		
Other debts	71 025	71 025		
Deferred income	5 679 480	5 679 480		
GRAND TOTAL	**9 566 838**	**9 566 838**		

3.3 Statement of provisions

STATE OF PROVISIONS	Beginning fiscal year	Depreciation of the year	Reversal of the year	End of the fiscal year
Provision for litigation	189 000	411 098		600 098
TOTAL Provisions	189 000	411 098		600 098
GRAND TOTAL	**189 000**	**411 098**		**600 098**

The provisions for risks relate to the seizure of the Conseil de Prud'hommes during the financial year by a former employee. The provision for risks recorded for the accounts closed on March 31th, 2022 reflects the reasonable assessment of the risk in the context of this dispute.

The Management considers that the claim of the employee is abnormally high.

3.4 Income and credit notes receivable

Amount of income and assets receivable included in the following balance sheet items	Amount incl. VAT
Trade receivables and related accounts	7 231 210
Other receivables	1 583
TOTAL	**7 232 793**

3.5 Accrued expenses and credit notes to be established

Amount of accrued expenses and credit notes to be established included in the following balance sheet items	Amount incl. VAT
Trade payables and related accounts	130 651
Tax and social security liabilities	148 405
TOTAL	**279 056**

3.6 Prepaid expenses and income

	Charges	Products
Operating expenses / Income	160 718	5 679 480
TOTAL	**160 718**	**5 679 480**

Prepaid expenses correspond to services invoiced by suppliers but not yet performed. Deferred income corresponds to services invoiced but not yet performed.

3.7 Composition of share capital

	Number	Nominal value
shares making up the share capital at the beginning of the financial year	100 000	1,00
shares making up the share capital at the end of the financial year	100 000	1,00

3.8 Breakdown of net sales

Breakdown by sector of activity	Amount
Services	10 382 974
TOTAL	**10 382 974**

Breakdown by geographic market	Amount
France	7 843 739
Foreign	2 539 235
TOTAL	**10 382 974**

4- FINANCIAL LIABILITIES AND OTHER INFORMATION

4.1 Intra-group benefits

The company BIRLASOFT Limited invoices a subcontracting service to the company BIRLASOFT SOLUTIONS France SAS for the IT development carried out in India. The rate of invoicing is 65% of the turnover before tax.

Subcontracting services provided by other Group subsidiaries are invoiced using the Cost+ 5% method.

4.2 Fees paid to the Statutory Auditors

The Statutory Auditors' fees amounted to 7,739€ excluding VAT in respect of their legal assignment.

4.3 Average number of employees

	Salaried employees	Personnel made available to the company
Executives	12	
TOTAL	**12**	

4.4 Commitments in respect of pensions, retirement and similar commitments

Commitments	Senior staff	Others	Provisions
Retirement indemnities and other benefits for active employees		28 653	
TOTAL		**28 653**	

They are calculated on the basis of the "Syntec" collective bargaining agreement, changes in remuneration and demographics at 31 March 2022 with a discount rate of 1.77%, including social security charges.

4.5 Revenue recognition

Revenues are recognized using the percentage-of-completion method with revenue recognized based on the billable stage of completion.

4.6 Identity of the parent company consolidating the company's accounts

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

Birlasoft Solutions GmbH

Registered Office: Meisenstr. 96 D - 33607 Bielefeld, Germany.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended on March 31, 2022.

Financial Results

Particulars	2021-22 Euro (Million)	2020-21 Euro (Million)
Total Income	6.43	8.09
Net Profit / (Loss) for the year	0.27	(0.38)

Operations

During the year under review, the total income of the Company has decreased by 20.52% resulting in net profit of € 0.27 million.

Directors

Mr. Dharmander Kapoor was the Managing Director of the company upto January 20, 2022. During the year, Mr. Ashish Satija is appointed as the Managing Director effective January 21, 2022.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors of
Birlasoft Solutions GmbH

London
May 19, 2022

Ashish Satija
Managing Director

Balance Sheet

as at 31 March 2022

(Amount in Euro)

	EUR	Financial Year EUR	Prior Year EUR
ASSETS			
A. Noncurrent assets			
I. Intangible fixed assets			
1. Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values		949.00	1,962.20
II. Tangible fixed assets			
1. Technical equipment and machinery	1,282.00		0.00
2. Other equipment, operating and office equipment	1,686.00		5,332.94
		2,968.00	5,332.94
Total noncurrent asset		**3,917.00**	**7,295.14**
B. Current assets			
I. Inventories			
1. Work in progress		186,027.98	228,449.90
II. Receivables and other assets			
1. Trade receivables	1,238,555.64		2,045,756.73
2. Receivables from affiliated companies	168,577.03		43,436.49
3. Other assets	160,980.29		274,751.78
		1,568,112.96	2,363,945.00
III. Cash on hand, central bank balances, bank balances, and checks		1,524,549.11	1,715,379.15
Total current assets		**3,278,690.05**	**4,307,774.05**
C. Prepaid expenses		**9,550.57**	**15,923.18**
D. Deficit not covered by equity		**218,168.31**	**494,874.46**
		3,510,325.93	**4,825,866.83**
EQUITY AND LIABILITIES			
A. Equity			
I. Subscribed capital		25,000.00	25,000.00
II. Accumulated losses brought forward		519,874.46	135,283.21
III. Net income for the financial year		276,706.15	384,591.25-
Deficit not covered		218,168.31	494,874.46
Total equity		**0.00**	**0.00**
B. Provisions			
1. Other provisions		181,305.66	310,828.77

	EUR	Financial Year EUR	Prior Year EUR
C. Liabilities			
1. Advance payments received on orders	298,376.16		5,738.91
2. Trade payables	4,379.48		1,082,647.86
3. Liabilities to affiliated companies	2,880,084.01		3,072,225.10
4. Other liabilities	146,180.62		290,894.86
- of which taxes EUR 116,999.63 (EUR 73,020.19)			
- of which social security EUR 5,636.91 (EUR 8,027.82)			
		3,329,020.27	4,451,506.73
D. Prepaid expenses		0.00	63,531.33
		3,510,325.93	**4,825,866.83**

Profit and loss account

from 01 April 2021 to 31 March 2022

(Amount in Euro)

		Financial Year EUR	Prior Year EUR
1.	Sales	6,249,454.05	7,554,727.69
2.	Decrease in finished goods inventories and work in progress	0.00	-36,159.08
3.	**Gross revenue**	**6,249,454.05**	**7,518,568.61**
4. Other operating income			
	a) Income from disposal of items of noncurrent assets and from reversal of write-downs of items of fixed assets	0.00	3,456.31
	b) Miscellaneous other operating income	181,678.26	570,538.44
	- of which currency translation gains EUR 63,634.43 (EUR 207,516.44)		
		181,678.26	**573,994.75**
5.	Cost of materials		
	a) Cost of raw materials, consumables and supplies, and of purchased merchandise	-13,674.61	-178,871.86
	b) Expenses for purchased services	-4,705,301.64	-5,343,313.30
		-4,718,976.25	**-5,522,185.16**
6.	Personnel expenses		
	a) Wages and salaries	-1,085,149.83	-1,546,298.71
	b) Social security costs and expenses related to pension plans and for support	-8,104.68	-246,581.19
	- of which in respect of old age pensions EUR 0.00 (EUR 1,709.23)		
		-1,093,254.51	**-1,792,879.90**
7.	Depreciation and amortization		
	a) Of noncurrent intangible assets and property, plant and equipment	-3,378.14	-6,741.03
8.	Other operating expenses		
	a) Occupancy costs	-37,004.70	-48,649.21
	b) Insurance premiums, fees and contributions	-3,388.46	-16,119.15
	c) Cost of third-party repairs and maintenance	-18,068.02	-13,868.28
	d) Vehicle costs	-11,224.64	-87,208.17
	e) Advertising and travel expenses	-27,254.65	2,305.17
	f) Selling and distribution expenses	0.00	-74,201.98
	g) Miscellaneous operating costs	-215,065.03	-392,971.55
	h) Losses on write-downs or on disposal of current assets and transfers to valuation allowances on receivables	241,778.14	-431,173.59
	i) Miscellaneous other operating expenses	-267,301.75	-91,141.54
	- of which currency translation losses EUR 245,799.01 (EUR 8,990.41)		
		-337,529.11	-1,153,028.30
9.	other interest and similar income	0.00	115.00
10.	Interest and similar expenses	0.00	-425.00
11.	Taxes on income	0.00	1.45
12.	**Net income/net loss after tax**	**277,994.30**	**-382,579.58**
13.	Other taxes	-1,288.15	-2,011.67
14.	**Net income for the financial year**	**276,706.15**	**-384,591.25**

Fixed Assets Schedule

as of 31 March 2022

	acquisition-, production-cost 01/04/2021 EUR	disposals EUR	acquisition-, production-cost 31/03/2022 EUR	accumulated depreciations 01/04/2021 EUR	depreciations financial year EUR	depreciation on disposal EUR	accumulated depreciations 31/03/2022 EUR	book value 31/03/2022 EUR	book value 31/03/2021 EUR
A. Noncurrent assets									
I. Intangible fixed assets									
1. Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	32,582.13	0.00	32,582.13	30,619.93	1,013.20	0.00	31,633.13	949.00	1,962.20
Total intangible fixed assets	**32,582.13**	**0.00**	**32,582.13**	**30,619.93**	**1,013.20**	**0.00**	**31,633.13**	**949.00**	**1,962.20**
I. Tangible fixed assets									
1. Technical equipment and machinery	65,107.50	10,565.05	54,542.45	62,264.42	1,561.08	10,565.05	53,260.45	1,282.00	2,843.08
2. Other equipment, operating and office equipment	33,909.01	1,100.00	32,809.01	31,419.15	803.86	1,100.00	31,123.01	1,686.00	2,489.86
Total tangible fixed assets	**99,016.51**	**11,665.05**	**87,351.46**	**93,683.57**	**2,364.94**	**11,665.05**	**84,383.46**	**2,968.00**	**5,332.94**
	131,598.64	**11,665.05**	**119,933.59**	**124,303.50**	**3,378.14**	**11,665.05**	**116,016.59**	**3,917.00**	**7,295.14**

Annual Financial Statements

as of 31/03/2022

General information about the annual financial statements

The annual financial statements were prepared in accordance with the provisions of §§ 242 ff. Handelsgesetzbuch (HGB – German Commercial Code), taking into account the supplementary provisions for small corporations.

Information identifying the company according to the registry court

Company name according to registry court:	Birlasoft Solutions GmbH
Registered company address according to registry court:	Bielefeld
Registry entry:	Handelsregister
Registry court:	Bielefeld
Registry court number:	39769

Disclosures on accounting policies

Accounting policies

Purchased intangible assets were recognised at cost; finite-lived intangible assets are amortised. Tangible assets were recognised at cost; finite-lived tangible assets are depreciated.

Depreciation and amortisation is charged using the straight line method on the basis of the expected useful life of the assets.

If necessary, the applicable lower value was recognised at the reporting date.

Inventories were recognised at cost. Any lower current values at the reporting date were recognised. The measurement of receivables and securities reflects all identifiable risks.

Cash and cash equivalents were recognised at nominal value.

The subscribed capital shown in the balance sheet corresponds to the articles of association and the extract from the commercial register.

The other provisions were recognised for all further uncertain liabilities. They reflect all identifiable risks. Liabilities are recognised at their settlement amount.

The annual financial statements include foreign currency items translated into EUR.

Foreign currency receivables and liabilities are measured with the average spot exchange rate on the balance sheet date. The rate on the date of the transaction is recognized, as far as it was lower for receivables or higher for liabilities.

Accounting policies that have changed as against the prior year

The accounting policies previously applied were largely taken over in the annual financial statements. There was no fundamental change in accounting policies compared with the prior year.

Balance sheet disclosures

Equity

The balance sheet as of March 31, 2022 shows a net loss not covered by equity in the amount of EUR 218,168.31. To avoid over-indebtedness under German insolvency law, creditors of the company have declared a qualified subordination for liabilities of the company in the amount of EUR 2,455,457.12.

Disclosure on remaining maturity comments

Liabilities with a remaining term of up to one year amount to EUR 3,329,020.27 (prior year: EUR 4,451,506.73).

Disclosures on liabilities to shareholders

Liabilities to direct shareholders amount to EUR 11,184.21 (prior year: EUR 14,876.40).

Other disclosures

Average number of employees during the financial year

The average number of employees during the financial year amounts to 11,0.

Signature of management
Bielefeld, 19 May 2022

Mr. Ashish Satija
(Managing Director)

Annual Financial Statements
as on 31 March 2022

1. Acceptance of the engagement

1.1 Client and definition of the engagement

The management of Birlasoft Solutions GmbH, Bielefeld - hereinafter also abbreviated to “Birlasoft” or “company” -

engaged us to prepare the annual financial statements as at 31 March 2022 on the basis of the accounting records that we prepared, as well as the additional vouchers provided to us, which we have not audited in accordance with the terms of our engagement, taking into account the information provided to us in accord- ance with the statutory requirements and in accordance with the instructions by the client within this frame- work to exercise existing accounting options. We performed this engagement to prepare the annual financial statements with no assessments from April to May 2022 in our office in Munich.

Our engagement to prepare the annual financial statements did not comprise any activities over and above the engagement type and thus no extended responsibilities as tax advisory firm.

The duty to prepare the annual financial statements was the responsibility of the management of the company that engaged us to prepare the financial statements, which was required to decide on the exercise of all accounting options and legislative provisions related to preparation of the financial statements.

We informed our client about those matters that resulted in options and obtained from the client decisions relating to the exercise of material and formal accounting options (recognition, measurement and presenta- tion options) and of management judgement.

This also applied to the decisions to be taken by our client in respect of the application of simplified preparation and publication options relating to the annual financial statements for small and medium-sized companies.

The company is a small corporation according to the size classes set out in § 267 of the Handelsgesetzbuch (HGB – German Commercial Code).

The size-related exemptions set out in §§ 267, 276, 288 and 274a of the Handelsgesetzbuch (HGB – Germ- an Commercial Code) were applied in preparing the annual financial statements.

Our engagement to prepare the annual financial statements comprised all activities necessary in order to prepare the annual financial statements legally required by the commercial law, comprising the balance sheet, income statement and notes to the financial statements, on the basis of the accounting record as well as the information obtained by us on recognition, presentation and measurement issues and the accounting policies required to be applied, including preparation of the closing entries.

As the preparation of a report on the preparation of the annual financial statements was agreed, but the concrete nature and scope of our reporting were not expressly defined in the agreements governing our en- gagement, we have reported on the scope and results of our activities in accordance with customary profes- sional standards within the meaning of the Verlautbarung der Bundessteuerberaterkammer zu den Grundsät- zen für die Erstellung von Jahresabschlüssen (Pronouncement by the German Federal Chamber of Tax Ad- visers on the Principles for the Preparation of Annual Financial Statements) dated 12/13 April 2010.

On acceptance of the engagement, we received an assurance from our client that the documents and expla- nations necessary for the performance of the engagement would be provided to us in full.

General Engagement Terms

The Allgemeine Geschäftsbedingungen für Steuerberater und Steuerberatungsgesell- schaften (General En- gagement Terms for Tax Consultants) attached to this report, are decisive for the realization of the engage- ment and our responsibility, including those to third parties.

1.2 Performance of the engagement

In the course of the preparation of the annual financial statements and in our reporting on these preparation activities, we have compiled with the relevant standards of the legislation regulating our profession and our professional obligations, including the principles of independence, diligence, confidentiality and personal professional responsibility (§ 57 of the Steuerberatungsgesetz/StBerG – German Tax Advisory Services Act).

Irrespective of the nature of our engagement, preparation of the annual financial statements comprises the activities necessary in order to prepare the balance sheet and income statements required by law, as well as the notes to the financial statements and additional components of the financial statements, on the basis of the accounting records as well as the information obtained by us on the accounting policies to be applied, including preparation of the closing entries.

We informed our client about statutory deadlines governing the preparation, adoption and publication of the annual financial statements.

We observed the principles of cost-effectiveness and materiality when preparing the annual financial statements.

Under the terms of the engagement issued to us, we compiled with the statutory provisions for the prepara- tion of annual financial statements and German Accepted Accounting Principles. Compliance with other statutory provisions and the detection and clarification of criminal offences, and of administrative offences out- side the accounting system, were not the subject of our engagement.

Representation letter

The company provided us in writing, as requested, with the standard professional representation letter in respect of the accounting records, vouchers and inventory records as well as the information provided to us, which we have stored in our files.

2. Basis of preparation of the annual financial statements

2.1 Accounting records and inventory records, information provided

The company is required by § 238 of the Handelsgesetzbuch (HGB – German Commercial Code) to keep accounting records.

The accounting was prepared using our IT systems. In accordance with a certificate issued by Ernst & Young GmbH on 28 March 2021, the DATEV eG “Kanzlei-Rechnungswesen” accounting software used for this pur- pose satisfies the requirements for proper financial accounting and preparation of the annual financial statements.

The asset accounting was prepared using our IT systems. In connection with a certificate issued by Ernst & Young GmbH on 28 March 2021 on the audit of the propriety of the “Kanzlei-Rechnungswesen” software, the DATEV eG “Anlagenbuchführung” asset accounting software used for this purpose satisfies the requirements for proper asset accounting.

There were no significant organisational changes in the procedures used in the accounting system. The management nominated the following persons as information providers:

- Mr. Ashish Satija
- Ms. Astrid Bethke
- Ms. Tania Hüsemann

All requested information, explanations and documentary evidence were readily provided by the manage- ment and the persons nominated as information providers.

2.2 Decisions on the exercise of options

The necessary decisions concerning the exercise of material and formal accounting options (recognition, measurement and presentation options, as well as management judgement) do not form part of the prepara- tion of the annual financial statements. However, we made our client aware of the exercise of material and formal accounting options (recognition, measurement and presentation options, as well as management jud- gement), obtained our client’s decisions on these matters and exercised the options in the course of prepa- ring the financial statements exactly as directed by the business owner or the management.

The same applied to decisions on the application of simplified preparation and publication options relating to annual financial statements for small and medium-sized companies.

In addition, we informed our client about statutory deadlines governing the preparation, adoption and publi- cation of the annual financial statements.

2.3 Findings on the basis of preparation of the annual financial statements

The annual financial statements were prepared using our IT systems. In accordance with a certificate issued by Ernst & Young GmbH on 28 March 2021, the DATEV eG, Nuremberg, “Kanzlei-Rechnungswesen” ac- counting software used for this purpose satisfies the requirements for proper financial accounting and pre- paration of the annual financial statements.

We agreed any entries arising during the course of our annual financial statement preparation with the ma- nagement of our client. The closing entries were prepared by the date of completion of our activities.

The classification of the annual financial statements complies with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code), and in particular with the provisions of §§ 266 and 275 of the HGB). Changes in fixed assets are properly recorded in an inventory record.

The applicable measurement provisions of Commercial Law were observed in compliance with the going concern assumption. The measurement policies applied to the preceding annual financial statements were retained.

Adequate provisions and valuation allowances were recognised to take account of all risks existing at the balance sheet date that were identifiable by the date of preparation of the annual financial statements. Any such risks arising after the balance sheet date are disclosed in the notes to the financial statements.

The notes to the financial statements contain the prescribed explanations on individual items of the income statement – if not already disclosed on the face of the income statement – as well as the other obligatory disclosures correctly and in full.

The individual items of the balance sheet and the income statement are presented in detail in the explanatory section.

Reference is made to more detailed explanations in the notes to the financial statements.

3. Legal and economic position

3.1 Legal position

Company name:	Birlasoft Solutions GmbH
Legal form:	GmbH
Date of formation:	05.08.2003

Registered office:	Bielefeld
Address:	Meisenstraße 96 33607 Bielefeld
Entered in commercial register:	Handelsregister
Register court:	Bielefeld
No. of register court:	39769
Partnership agreement:	Valid in the version dated 21 May 2019
Financial year:	01 April to 31 March
Purpose of the company:	Trade with hardware and software, production and implementation of software as well as similar business. The company can deal with all transactions, which are sufficient to comply with the company purpose. The company can found branches and subsidiaries.
Subscribed capital:	25,000.00
Shareholder:	Birlasoft Solutions Limited, London, Great Britain
Management, representation:	Mr. Ashish Satija, sole power of representation
Significant changes in the legal position after the closing date:	were not applicable

3.2 Tax position

Responsible tax office:	Bielefeld-Innenstadt
Tax no.:	305/5807/2280

By virtue of its activities, the entity is subject to corporate income tax, trade tax and VAT.

The tax returns up to and including 2019 were filed with the tax office. The assessment notices were issued subject to review by a subsequent tax audit in accordance with § 164 of the Abgabenordnung (AO – German Tax Code).

3.3 Economic position

3.3.1 Net assets

The presentation of the company's net assets derived from the balance sheet as at 31 March 2022 is shown in the following compared with the previous balance sheet date:

	Balance at 31/03/2022 TEUR	%	Balance at 31/03/2021 TEUR	%	Changes in comp. to prior year TEUR	%
ASSETS						
Intangible fixed assets	0.9	0.0	2.0	0.0	-1.1	-55.0
Tangible fixed assets	3.0	0.1	5.3	0.1	-2.3	-43.4
Inventories	186.0	5.3	228.4	4.7	-42.4	-18.6
Receivables	1,407.1	40.1	2,089.2	43.3	-682.1	-32.6
Other property	161.0	4.6	274.8	5.7	-113.8	-41.4
Cash funds/securities	1,524.5	43.4	1,715.4	35.5	-190.9	-11.1
Prepaid expenses	9.6	0.3	15.9	0.3	-6.3	-39.6
Deficit not covered by equity	218.2	6.2	494.9	10.3	-276.7	-55.9
Total Assets	**3,510.3**	**100.0**	**4,825.9**	**100.0**	**-1,315.6**	**-27.3**
LIABILITIES						
Provisions	181.3	5.2	310.8	6.4	-129.5	-41.7
Trade payables	302.8	8.6	1,088.4	22.6	-785.6	-72.2
Liabilities to affiliated companies	2,880.1	82.0	3,072.2	63.7	-192.1	-6.3
Other payables	146.2	4.2	290.9	6.0	-144.7	-49.7
Deferred income	0.0	0.0	63.5	1.3	-63.5	-100.0
Total Liabilities	**3,510.3**	**100.0**	**4,825.9**	**100.0**	**-1,315.6**	**-27.3**

Supplementary information on asset and capital structure ratios:

Key figures concerning the financial situation

	EUR	Fiscal Year Value	Previous Year Value
Inventories	186,027.98		228,449.90
Balance sheet total	3,292,157.62		4,330,992.37
Ratio of inventories to total assets (%)		**6**	**5**
Equity	-218,168.31		-494,874.46
Balance sheet total	3,292,157.62		4,330,992.37
Equity ratio (%)		**-7**	**-11**
Equity	-218,168.31		-494,874.46
Noncurrent assets	3,917.00		7,295.14
Non-current asset coverage (%)		**-5,570**	**-6,784**

3.3.2 Results of operations

The results of operations changed as follows compared with the previous year:

	01/04/2021 to 31/03/2022 TEUR	%	01/04/2020 to 31/03/2021 TEUR	%	Changes in comp. to prior year TEUR	%
Sales	6,249.5	100.0	7,554.7	100.0	-1,305.2	-17.3
+- Changes in inventories	0.0	0.0	-36.2	-0.5	36.2	100.0
+ Other operating income	181.7	2.9	574.0	7.6	-392.3	-68.3
- Cost of materials	4,719.0	75.5	5,522.2	73.1	-803.2	-14.5
- Personnel expenses	1,093.3	17.5	1,792.9	23.7	-699.6	-39.0
Depreciation, amortisation and write-downs	3.4	0.1	6.7	0.1	-3.3	-49.3
- Other operating expenses	337.5	5.4	1,153.0	15.3	-815.5	-70.7
+ Net financial income	0.0	0.0	0.1	0.0	-0.1	-100.0
- Net financial costs	0.0	0.0	0.4	0.0	-0.4	-100.0
Profit after tax	**278.0**	**4.4**	**-382.6**	**-5.1**	**660.6**	**172.7**
- Other taxes	1.3	0.0	2.0	0.0	-0.7	-35.0
Net income/loss	**276.7**	**4.4**	**-384.6**	**-5.1**	**661.3**	**171.9**

Supplementary information on profitability and productivity:

Key figures concerning the profit situation

	EUR	Fiscal Year Value	Previous Year Value
Net income for the financial year	276,706.15		-384,591.25
Sales	6,249,454.05		7,554,727.69
Return on sales (%)		**4.43**	**-5.09**
Net income for the financial year	276,706.15		-384,591.25
Equity	-218,168.31		-494,874.46
Return on equity (%)		**-126.83**	**77.71**
Personnel expenses	1,093,254.51		1,792,879.90
Gross revenue	6,249,454.05		7,518,568.61
Personnel expenses rate (%)		**17.49**	**23.85**
Cost of materials	4,718,976.25		5,522,185.16
Gross revenue	6,249,454.05		7,518,568.61
Material costs rate (%)		**75.51**	**73.45**

4. Nature and scope of the preparation work

Unless documented in this report on the preparation of the annual financial statements, we documented the nature, scope and results of the individual preparation activities performed during of our engagement in our working papers.

The subject of the preparation with no assessments comprises the preparation of the balance sheet and in- come statement, as well as of the notes to the financial statements and additional components of the finan- cial statements, on the basis of the accounting records and the accounting policies required to be applied.

Our engagement to prepare the annual financial statements in accordance with the legal requirements on the basis of the documents provided, taking into account the information received and the closing entries prepared, did not extend to the assessment of the appropriateness and function of internal controls and of whether the accounting records have been properly compiled. In particular, the assessment of the stock-ta- king records, of correct application of the accrual and matching principle, and of recognition and measurement did not fall within the scope of our engagement.

If closing entries were prepared, e.g. the calculation of depreciation, amortisation and write-downs, valuation allowances, and provisions, these were based on the documents and information provided without any as- sessment of their accuracy.

Although we do not assess the vouchers and accounting records in the course of the preparation with no assessments in accordance with the terms of our engagement, we draw our client's attention to evident inaccuracies in the documents provided that become apparent to us as professional practitioners in the course of performing the engagement, make suggestions as to how they can be corrected and monitor that they are implemented appropriately in the annual financial statements.

5. Comments regarding the vouchers, accounting records and inventory records provided

Comments on the accounting records maintained by ourselves as well as on the vouchers provided are not necessary in the case of our engagement to prepare the annual financial statements with no assessments because no matters requiring comment were identified.

6. Results of work and attestation report

The attestation report on the annual financial statements prepared by ourselves does not contain any additions.

We did not raise any material objections to certain carrying amounts advocated by the client or to the accounting.

7. Notes on the items in the balance sheet and profit and loss account

7.1 Notes on items in the balance sheet

A. Noncurrent assets

I. Intangible fixed assets

1. Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	**EUR**	**949.00**
	(31/03/2021: EUR	1,962.20)
	2021/2022	2020/2021
	EUR	EUR
Softwares	32,582.13	1,962.20
Acc. Depn. Softwares	-31,633.13	0.00
	949.00	**1,962.20**

II. Tangible fixed assets

1. Technical equipment and machinery	**EUR**	**1,282.00**
	(31/03/2021: EUR	0.00)
	2021/2022	2020/2021
	EUR	EUR
Plant & Machinery Manufacturing	54,542.45	0.00
Acc.Depn.Plant & Machinery - Manufacturing	-53,260.45	0.00
	1,282.00	**0.00**

2. Other equipment, operating and office equipment	**EUR**	**1,686.00**
	(31/03/2021: EUR	5,332.94)
	2021/2022	2020/2021
	EUR	EUR
Vehicles - Owned	0.00	0.00
Operating and office equipment	16,261.11	2,908.08
Acc. Depn. Office Equipment	-16,261.11	0.00
Building	16,547.90	2,424.86
Acc. Depn. Building	-14,861.90	0.00
	1,686.00	**5,332.94**

B. Current assets

I. Inventories

1. Work in progress	**EUR**	**186,027.98**
	(31/03/2021: EUR	228,449.90)
	2021/2022	2020/2021
	EUR	EUR
Domestic Unbilled Revenue Debtors A/c	111,945.00	12,600.00
Export Unbilled Revenue Debtors A/c	73,031.86	25,821.12
Domestic POC unbilled revenue Debtors	1,064.64	190,028.78
Exchange Rate Export unbill. Rev. Debt.	-13.52	0.00
	186,027.98	**228,449.90**

II. Receivables and other assets

1. Trade receivables	**EUR**	**1,238,555.64**
	(31/03/2021: EUR	2,045,756.73)
	2021/2022	2020/2021
	EUR	EUR
Domestic Debtors	1,552,156.86	2,613,750.51
Reserve For Doubtful Debts	-481,148.93	-567,993.78
Reserve For Doubtful Debts GE13/IN11	154,869.08	0.00
Exchang Rate Differenc Adj-Debtors	11,449.31	0.00
Exchange Rate Diff. RDD GE13/IN11	1,229.32	0.00
	1,238,555.64	**2,045,756.73**
2. Receivables from affiliated companies	**EUR**	**168,577.03**
	(31/03/2021: EUR	43,436.49)
	2021/2022	2020/2021
	EUR	EUR
Inter Co. Clearing Account IN11/GE13	3,500.00	0.00
Trade rec. affiliated companies	0.00	40,020.89
Export Debtors-SYUS	48,625.41	0.00
Export Debtors-KPFR	8,269.13	0.00
Export Debtors-SYST	20,295.65	0.00
Export Debtors-KPUS	90.05	0.00
Export Debtors-UK21	11,184.21	0.00
Export Debtors-Birlasoft Inc. US14	33,191.33	0.00
Export Debtors - SZ11	41,892.29	0.00
Trade payables affiliated companies	0.00	3,415.60
Sundry Creditors - KPUS	1,528.96	0.00
	168,577.03	**43,436.49**
3. Other assets	**EUR**	**160,980.29**
	(31/03/2021: EUR	274,751.78)
	2021/2022	2020/2021
	EUR	EUR
Rcvbls. health insurance funds AAG	0.00	12,298.71
Other Receivables	125.00	3,812.58
Receivables from employees	1,065.50	587.43
Trade Deposits	13,043.02	20,526.07
Purchase Tax control Account	0.00	34,506.44
Deductible input tax, 7%	0.00	209.42
Deductible input tax, 5%	0.00	23.24
Dedctbl input tax on intra-EU acqstn 19%	0.00	27.45
Deductible input tax, 16%	0.00	53,259.81
Deductible input tax, 19%	0.00	182,346.53
Dedctbl inpt tax sec 13b UStG 19%	0.00	930,520.52
Dedctbl inpt tax sec 13b UStG 16%	0.00	461,979.60
Accounts receivable from VAT adv. paym.	54,757.00	0.00

Advance Tax FY 2018-2019	0.00	29,184.00
Advance Tax FY 2019-2020	29,184.00	29,184.00
Advance Tax FY 2020-2021	29,184.00	29,184.00
Sundry Creditors	1,134.16	107,938.77
VAT on intra-EU acquisitions, 19%	0.00	-27.45
VAT, 16%	0.00	-392,338.21
VAT, 19%	0.00	-628,072.37
VAT prepayments	0.00	646,854.81
VAT Deposit A/c	0.00	53,775.00
VAT under section 13b UStG	0.00	-461,979.60
VAT under section 13b UStG, 19%	0.00	-930,520.52
VAT, previous year	0.00	91,471.55
VAT, earlier years	32,487.61	0.00
	160,980.29	**274,751.78**
III. Cash on hand, central bank balances, bank balances, and checks	**EUR**	**1,524,549.11**
	(31/03/2021: EUR	1,715,379.15)
	2021/2022	2020/2021
	EUR	EUR
Cash on Hand Nürnberg	91.16	91.16
Hypovereins Bank-Curr A/C	1,524,457.95	1,715,287.99
	1,524,549.11	**1,715,379.15**
Total current assets	**EUR**	**3,278,690.05**
	(31/03/2021: EUR	4,307,774.05)
C. Prepaid expenses	**EUR**	**9550.57**
	(31/03/2021: EUR	15,923.18)
	2021/2022	2020/2021
	EUR	EUR
Prepaid Expenses	9,550.57	15,923.18
D. Deficit not covered by equity	**EUR**	**218,168.31**
	(31/03/2021: EUR	494,874.46)
	2021/2022	2020/2021
	EUR	EUR
Deficit not covered by equity	218,168.31	494,874.46
Total Assets	**EUR**	**3,510,325.93**
	(31/03/2021: EUR	4,825,866.83)
A. Equity		
I. Subscribed capital	**EUR**	**25,000.00**
	(31/03/2021: EUR	25,000.00)
	2021/2022	2020/2021
	EUR	EUR
Issued & Paid Up Capital	25,000.00	25,000.00
II. Accumulated losses brought forward	**EUR**	**519,874.46**
	(31/03/2021: EUR	135,283.21)
	2021/2022	2020/2021
	EUR	EUR
Profit & Loss Account	519,874.46	135,283.21
III. Net income for the financial year	**EUR**	**276,706.15**
	(31/03/2021: EUR	-384,591.25)
	2021/2022	2020/2021
	EUR	EUR
Net income for the financial year	276,706.15	-384,591.25
Deficit not covered	**EUR**	**218,168.31**
	(31/03/2021: EUR	494,874.46)
	2021/2022	2020/2021
	EUR	EUR
Deficit not covered	218,168.31	494,874.46
Total equity	**EUR**	**0.00**
	(31/03/2021: EUR	0.00)
B. Provisions		
1. Other provisions	**EUR**	**181,305.66**
	(31/03/2021: EUR	310,828.77)
	2021/2022	2020/2021
	EUR	EUR
Provision For Expenses	72,327.40	189,600.78
Provision for BTB cost on Advance billing	63.90	0.00
Provision for Marketing Bonus & Commission	79,378.00	85,594.67
Leave Encashment Payable	29,539.00	35,633.32
Exchange Rate Diff. Prov. BTB adv. bill.	-2.64	0.00
	181,305.66	**310,828.77**
C. Liabilities		
1. Advance payments received on orders	**EUR**	**298,376.16**
(31/03/2021:	EUR	5,738.91)
	2021/2022	2020/2021
	EUR	EUR
Advance Billing	42,007.27	0.00
Advance from Customer	256,240.84	5,738.91
Exchange Rate Advance from Customer	128.05	0.00
	298,376.16	**5,738.91**
2. Trade payables	**EUR**	**4,379.48**
	(31/03/2021: EUR	1,082,647.86)
	2021/2022	2020/2021
	EUR	EUR
Sundry Creditors	4,379.48	1,084,189.53
Valuation adjustmt, trade payables	0.00	-1,541.67
	4,379.48	**1,082,647.86**
3. Liabilities to affiliated companies	**EUR**	**2,880,084.01**
	(31/03/2021: EUR	3,072,225.10)
	2021/2022	2020/2021
	EUR	EUR
Inter Co. Clearing Account IN11/GE13	0.00	5,000.00
Sundry Creditors - KPIN	2,455,457.12	2,686,332.26
Sundry Creditors - KPUS	0.00	83,300.13
Sundry Creditors - UK22	0.00	74,201.98
Sundry Creditors - UK21	94,501.05	14,876.40
Sundry Creditors - KPSP	76,432.08	229,223.61
Sundry Creditors - SYSU	96,065.69	98,035.16
Sundry Creditors - SYCN	172,852.63	78,239.92
Sundry Creditors - KPFR	8.01	0.00
Exchange Rate Diff Adj - Intercompany Creditors	-3,946.24	-196,984.36
Exchange Rate Diff Adj - UK21	-17.55	0.00
Exchange Rate Diff Adj - US11	-2.93	0.00
Exchange Rate Diff Adj - US12	-82.05	0.00
Exchange Rate Diff Adj - US13	-739.25	0.00
Exchange Rate Diff Adj - UK22	-1,271.48	0.00
Exchange Rate Diff Adj - IN11	-9,173.07	0.00
	2,880,084.01	**3,072,225.10**

4. Other liabilities	**EUR**	**146,180.62**
	(31/03/2021: EUR	290,894.86)
- of which taxes EUR 116,999.63 (EUR 73,020.19)		
- of which social security EUR 5,636.91 (EUR 8,027.82)		
	2021/2022	2020/2021
	EUR	EUR
Domestic Debtors	0.00	191,392.97
Deductible input tax, 7%	-64.01	0.00
Deductible input tax, 5%	-3.24	0.00
Deductible input tax, 16%	-5,434.92	0.00
Deductible input tax, 19%	76,011.79	0.00
Dedctbl inpt tax sec 13b UStG 19%	-1,226,384.19	0.00
Dedctbl inpt tax sec 13b UStG 16%	-10,305.51	0.00
Other liabilities	0.00	5,000.00
Ohter Liabilities Staff	2,279.57	0.00
Other allocation accs (interim accs)	0.00	9,649.85
Wage and church tax payables	0.00	14,036.25
Tds-From Salary	11,260.92	0.00
Other Payroll Liabilities	2,304.03	0.00
Liablts for amounts w/held fr employees	0.00	3,804.03
Other Payroll Liabilities - Creditors	7,699.56	0.00
Provident Fund Payable	5,636.91	96.73
Expctd contrb. owed social secur. funds	0.00	7,931.09
VAT, 16%	-2,189.98	0.00
VAT, 19%	635,951.02	0.00
VAT prepayments	-548,559.70	0.00
VAT Deposit A/c	-53,775.00	0.00
VAT under section 13b UStG, 19%	1,226,384.19	0.00
VAT under section 13b UStG, 16%	10,305.51	0.00
VAT, previous year	0.11	0.00
VAT, earlier years	0.00	58,983.94
Liabilities from VAT advance payments	15,063.56	0.00
	146,180.62	**290,894.86**
D. Prepaid expenses	**EUR**	**0.00**
	(31/03/2021: EUR	63,531.33)
	2021/2022	2020/2021
	EUR	EUR
Deferred income	0.00	63,531.33
Total Equity and Liabilities	**EUR**	**3,510,325.93**
	(31/03/2021: EUR	4,825,866.83)

7.2 notes on the items of the profit and loss account

1. Sales	**EUR**	**6,249,454.05**
	(31/03/2021: EUR	7,554,727.69)
	2021/2022	2020/2021
	EUR	EUR
Export Sales	361,346.61	0.00
Tax-exemt other serv. s. 18b UStG	0.00	3,056,850.57
Export Sales - Back to back Sales	2,764,006.35	0.00
Export Sales - Internally developed license	-29,510.00	0.00
Export Sales - US - Back to back	90.05	0.00
Export Sales-Pivolis	8,269.13	0.00
Export Sales - Back to back SYUS	106,028.03	14,945.92
Export Sales - Systime Canada BTB	20,295.65	0.00
Export Sale - UK21 (No Cost Element)	199,314.95	60,964.96
Export Sale - BSL Switzerland	41,892.29	0.00
Export Sale - Birlasoft Inc. BTB	33,191.33	0.00
Domestic Sales	461,162.03	0.00
Revenue	0.00	-67,385.41
Revenue, 19%/16% VAT	0.00	4,493,023.91
Revenue, 19% VAT	0.00	-6,797.50
Domestic Sales Back to back Sales	2,283,367.63	0.00
Revenue Regrouping	0.00	3,161.92
Cash discounts granted, 19% VAT	0.00	36.68
	6,249,454.05	**7,554,727.69**

2. Decrease in finished goods inventories and work in progress	**EUR**	**0.00**
	(31/03/2021: EUR	36,159.08)
	2021/2022	2020/2021
	EUR	EUR
Change in Unbilled Rev. (India Team) Exp	0.00	-25,821.12
Inventory changes – services in progress	0.00	61,980.20
	0.00	36,159.08
3. Gross revenue	**EUR**	**6,249,454.05**
	(31/03/2021: EUR	7,518,568.61)

4. Other operating income

a) Income from disposal of items of noncurrent assets and from reversal of write-downs of items of fixed assets	**EUR**	**0.00**
	(31/03/2021: EUR	3,456.31)
	2021/2022	2020/2021
	EUR	EUR
Rev. sales tngbl fxd assets, 19% VAT	0.00	3,456.31
b) Miscellaneous other operating income	**EUR**	**181,678.26**
	(31/03/2021: EUR	570,538.44)
- of which currency translation gains EUR 63,634.43 (EUR 207,516.44)		
	2021/2022	2020/2021
	EUR	EUR
Other Receipts	110,300.65	0.00
Other regular operating income	0.00	3,690.95
Other infrequent income	0.00	206,899.26
Foreign Exc Gain/(Loss)-Debtors Revluation	63,634.43	207,516.44
Cur. transl. gains (not s. 256a HGB)	0.00	70,165.31
Foreign exchange gain/loss-Realised Debtors/ Sales	7,292.95	0.00
Foreign Exchange Loss (Others)	450.23	0.00
Prior - period income	0.00	19,920.95
Insurance recoveries/compensation paymts	0.00	6,073.64
Allctd.oth.n-c bnfts provsn car, 19% VAT	0.00	56,238.31
Allocated other non-cash benefits	0.00	33.58
	181,678.26	**570,538.44**

5. Cost of materials

a) Cost of raw materials, consumables and supplies, and of purchased merchandise	**EUR**	**13,674.61**
	(31/03/2021: EUR	178,871.86)
	2021/2022	2020/2021
	EUR	EUR
Product Purchase Expenses-AMC	13,674.61	178,871.86

b) Expenses for purchased services	**EUR**	**4,705,301.64**
	(31/03/2021: EUR	5,343,313.30)
	2021/2022	2020/2021
	EUR	EUR
Software Serv. Charges BTB SYCN-SYUS	94,612.71	78,239.92
Software Service Charges - KPBN	4,451,224.03	4,470,296.72
Software Service Charges - UK21	79,624.65	243,744.21
Software Service Charges - KPSP	146,433.84	505,501.41
Software Service Charges - KPUS	-1,528.96	8,431.07
Software Service Charges - SYUS	4.53	6,584.47
Professional Fees - Onsite	-65,069.16	30,515.50
	4,705,301.64	**5,343,313.30**

6. Personnel expenses

a) Wages and salaries	**EUR**	**1,085,149.83**
	(31/03/2021: EUR	1,546,298.71)
	2021/2022	2020/2021
	EUR	EUR
Wages and salaries	778,273.91	1,454,418.74
G & A support salary allocation A/c	36,986.00	0.00
Salaries- Support	5,582.88	66,285.30
Salaries- Marketing Staff	151,863.81	0.00
Bonus & Ex-Gratia-Development	112,443.23	25,594.67
	1,085,149.83	**1,546,298.71**

b) Social security costs and expenses related to pension plans and for support	**EUR**	**8,104.68**
	(31/03/2021: EUR	246,581.19)
- of which in respect of old age pensions EUR 0.00 (EUR 1,709.23)		
	2021/2022	2020/2021
	EUR	EUR
Statutory social security expenses	0.00	242,549.84
Post-employment benefit costs	0.00	1,464.88
Vol. social benfts not subj to wage tx	0.00	2,322.12
Contrb. to occup. health/safety agency	8,104.68	0.00
Flat-rate tax for insurance premiums	0.00	244.35
	8,104.68	**246,581.19**

7. Depreciation and amortization

a) Of noncurrent intangible assets and property, plant and equipment	**EUR**	**3,378.14**
	(31/03/2021: EUR	6,741.03)
	2021/2022	2020/2021
	EUR	EUR
Amortisation of intngbl fixed assets	0.00	1,749.80
Depreciation	3,378.14	3,946.06
Immediate write-off of low-value assets	0.00	768.17
Wrt-dwns of assets (collective item)	0.00	277.00
	3,378.14	**6,741.03**

8. Other operating expenses

a) Occupancy costs	**EUR**	**37,004.70**
	(31/03/2021: EUR	48,649.21)
	2021/2022	2020/2021
	EUR	EUR
Facility Mgmt.Exps.	5,929.44	0.00
Rent	31,075.26	34,724.71
Incidental rental/lease exp. (SBI)	0.00	9,124.71
Gas, electricity, water	0.00	2,278.70
House Keeping Charge	0.00	259.20
Maintenance of operating premises	0.00	2,261.89
	37,004.70	**48,649.21**

b) Insurance premiums, fees and contributions	**EUR**	**3,388.46**
	(31/03/2021: EUR	16,119.15)
	2021/2022	2020/2021
	EUR	EUR
Insurance-Others	8,293.46	8,275.59
Contributions	0.00	6,469.56
Late filing penalties/ admin. fines	0.00	1,374.00
Disabled persons equalisation levy	-4,905.00	0.00
	3,388.46	**16,119.15**

c) Cost of third-party repairs and maintenance	**EUR**	**18,068.02**
	(31/03/2021: EUR	13,868.28)
	2021/2022	2020/2021
	EUR	EUR
Misc. Repairs-Computer Hardware	18,068.02	13,868.28

d) Vehicle costs	**EUR**	**11,224.64**
	(31/03/2021: EUR	87,208.17)
	2021/2022	2020/2021
	EUR	EUR
Insurance-Vehicle	2,809.48	13,152.04
Repairs, Maint & Petrol - Vehicles	5,079.80	16,233.01
Garage rent	0.00	1,740.00
Car Lease Charges	3,335.36	53,770.01
Third-party vehicle expenses	0.00	2,313.11
	11,224.64	**87,208.17**

e) Advertising and travel expenses	**EUR**	**27,254.65**
	(31/03/2021: EUR	-2,305.17)
	2021/2022	2020/2021
	EUR	EUR
Advertisement Expenses(Corpora	88.50	0.00
Entertainment Expenses	0.00	95.54
Staff Welfare Expenses	2,468.67	698.36
Non-deductible business expenses	0.00	1,547.11
Travel Support - Domestic	24,490.86	4,239.63
Domestic Travel- Other Expenses	186.92	-8,885.81
Transport - Employee	19.70	0.00
	27,254.65	**-2,305.17**

f) Selling and distribution expenses	**EUR**	**0.00**
	(31/03/2021: EUR	74,201.98)
	2021/2022	2020/2021
	EUR	EUR
Cost allocation marketing staff - UK22	0.00	74,201.98

g) Miscellaneous operating costs	**EUR**	**215,065.03**
	(31/03/2021: EUR	392,971.55)
	2021/2022	2020/2021
	EUR	EUR
Professional Fees - Onsite	0.00	12,928.00
Marketing staff (BSUK1)	0.00	77,883.73
Small Difference Account	0.00	11,475.62
Purchased services/ third-party services	0.00	22,527.46
Operating leases fr technical equipment	0.00	29,337.52
Postage & Courier	204.20	893.88
Telephone Expenses	19,114.78	22,687.88
Other Office Expenses	28,723.51	-1,435.20
Voluntary social benefits	0.00	1,020.09
Legal Expenses	42,369.10	104,063.86
Professional Fees	96,691.10	69,916.00
Expensions for licences, concessions	0.00	14,594.24
Computer Lease Charges	10,104.67	988.17
Operating supplies	0.00	75.50
Bank Charges-Foreign	17,857.67	26,014.80
	215,065.03	**392,971.55**

h) Losses on write-downs or on disposal of current assets and transfers to valuation allowances on receivables	**EUR**	**-241,778.14**
	(31/03/2021: EUR	431,173.59)
	2021/2022	2020/2021
	EUR	EUR
Provision For Doubtful Debts	-241,778.14	411,703.83
Bad Debts	0.00	1,028.45
Bad debt allowances 19% VAT	0.00	18,441.31
	-241,778.14	**431,173.59**

i) Miscellaneous other operating expenses	**EUR**	**267,301.75**
	(31/03/2021: EUR	91,141.54)
- of which currency translation losses EUR 245,799.01 (EUR 8,990.41)		
	2021/2022	2020/2021
	EUR	EUR
Cur. transl. losses (not s. 256a HGB)	0.00	28,783.83
Currency translation losses	202,257.20	8,990.41
Foreign Exchange Loss (Others)	43,541.81	0.00
Prior-period expenses	0.00	53,367.30
Creditors w.off / w.back	21,502.74	0.00
	267,301.75	**91,141.54**

9. other interest and similar income	**EUR**	**0.00**
	(31/03/2021: EUR	115.00)
	2021/2022	2020/2021
	EUR	EUR
Int.incm s.233a AO, tx-xmpt (Sch.GK KSt)	0.00	115.00

10. Interest and similar expenses	**EUR**	**0.00**
	(31/03/2021: EUR	425.00)
	2021/2022	2020/2021
	EUR	EUR
Interest expense on long-term debt	0.00	425.00

11. Taxes on income	**EUR**	**0.00**
	(31/03/2021: EUR	-1.45)
	2021/2022	2020/2021
	EUR	EUR
Corp. incm tax refunds prior years	0.00	-1.00
Solidarity surcharge refunds prior years	0.00	-0.45
	0.00	-1.45
12. Net income/net loss after tax	**EUR**	**277,994.30**
	(31/03/2021: EUR	-382,579.58)
13. Other taxes	**EUR**	**1,288.15**
	(31/03/2021: EUR	2,011.67)
	2021/2022	2020/2021
	EUR	EUR
Rates & Taxes-Others	1,288.15	2,011.67
14. Net income for the financial year	**EUR**	**276,706.15**
	(31/03/2021: EUR	-384,591.25)

8. Enclosures

Attestation report

Attestation report on preparation by the tax advisory firm.

In accordance with the terms of our engagement, we have prepared the following annual financial state- ments – comprising the balance sheet, income statement and notes to the financial statements – of the company Birlasoft Solutions GmbH for the financial year from 01 April 2021 to 31 March 2022 in accordance with the provisions of German Commercial Law.

The basis of preparation was the accounting records maintained by us and the additional vouchers and in- ventory records provided to us, which we have not audited in accordance with the terms of our engagement, as well as the information provided to us.

The accounting records and the preparation of the inventory records and the annual financial statements in accordance with the provisions of German Commercial Law are the responsibility of the company's management.

We have performed our engagement in accordance with the "Verlautbarungen der Bundessteuerberater- kammer zu den Grundsätzen für die Erstellung von Jahresabschlüssen" (Pronouncement by the German Fe- deral Chamber of Tax Advisers on the principles for the preparation of annual financial statements). This en- gagement comprises the preparation of the balance sheet and income statement, as well as the notes to the financial statements, on the basis of the accounting records, the inventory records and the accounting policies required to be applied.

Munich, 19 May 2022

Aulinger + Schlotmann
Steuerberatungsgesellschaft mbH

[Original German version signed by:]

Philipp Schlotmann
Wirtschaftsprüfer [German Public Auditor]
Steuerberater [Certified Tax Advisor]

Birlasoft Solutions Inc.

Registered Office: 399, Thornall Street, 8th Floor, Edison, New Jersey 08837, USA.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	**2021-22 USD (Million)**	**2020-21 USD (Million)**
Total Income	183.36	173.34
Net Profit / (Loss) for the year	4.87	9.86

Operations

During the year under review, total income of the Company increased by 5.78% which resulted in net profit of USD 4.87 million.

Board of Directors

During the year under review, Mr. S. S. Kejriwal and Ms. Anindita Chowdhury were appointed as Directors of the Company effective December 9, 2021. Mr. Dharmander Kapoor, Ms. Nandita Gurjar, Mr. S. S. Kejriwal and Ms. Anindita Chowdhury are the current Directors of the Company.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors of
Birlasoft Solutions Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Balance Sheet

as at 31 March 2022

(Amount in USD)

	Note	**31 March 2022**	**31 March 2021**
ASSETS			
Non-current assets			
Property, plant and equipment	2A	644,595	476,159
Right-of-use assets	2B	1,650,097	2,116,093
Other intangible assets	2C	-	1,012
Financial assets			
Investments	3	39,571,308	39,568,832
Loans	4	-	222,673
Other financial assets	5	-	3,944
Income tax assets (net)		600,382	1,627,009
Deferred tax assets (net)	6	1,486,702	868,555
Other non-current assets	7	647,736	1,124,754
		44,600,820	**46,009,031**
Current assets			
Financial assets			
Trade receivables			
Billed	8	43,326,117	27,478,717
Unbilled		3,390,538	2,064,732
Cash and cash equivalents	9	7,703,807	11,501,102
Loans	10	-	10,113,464
Other financial assets	11	13,151	53,534
Other current assets	12	25,343,062	27,108,396
		79,776,675	**78,319,945**
TOTAL ASSETS		**124,377,495**	**124,328,976**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	55,709,854	55,709,854
Other equity		23,244,272	18,372,965
Total equity		**78,954,126**	**74,082,819**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14	1,476,227	1,827,042
Borrowings	15	-	8,000,000
Provisions	16	-	1,675,269
		1,476,227	**11,502,311**

Balance Sheet (continued)
as at 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
Current liabilities			
Financial liabilities			
Trade payables	17	33,189,205	18,239,197
Lease liabilities	18	349,882	391,885
Other financial liabilities	19	3,820,761	11,693,398
Other current liabilities	20	5,583,764	7,538,282
Provisions	21	1,003,530	389,971
Income tax liabilities (net)		-	491,113
		43,947,142	**38,743,846**
TOTAL EQUITY AND LIABILITIES		**124,377,495**	**124,328,976**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-29		

For and on behalf of the Board of Directors of
Birlasoft Solutions Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Profit and Loss
for the year ended 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
Revenue from operations	22	185,669,855	172,460,838
Other income (net)	23	376,652	735,403
Total income		**186,046,507**	**173,196,241**
Expenses			
Employee benefits expense	24	44,544,604	53,528,001
Finance costs	25	414,843	438,914
Depreciation and amortization expense	2	708,041	832,634
Other expenses	26	134,831,235	107,245,503
Total expenses		**180,498,723**	**162,045,052**
Profit before tax		**5,547,784**	**11,151,189**
Tax expense			
Current tax		1,294,624	696,933
Deferred tax (benefit)/charge		(618,147)	591,674
Total tax expense		**676,477**	**1,288,607**
Profit for the year		**4,871,307**	**9,862,582**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-29

For and on behalf of the Board of Directors of
Birlasoft Solutions Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of changes in equity
for the year ended 31 March 2022

(Amount in USD)

A	Equity share capital	Amount
	Balance as at 1 April 2020	**55,709,854**
	Changes in equity share capital during 2020-21	-
	Balance as at 31 March 2021	**55,709,854**
	Changes in equity share capital during 2021-22	-
	Balance as at 31 March 2022	**55,709,854**

B Other equity

	Reserves & surplus			
	Capital Reserve	**General Reserve**	**Retained Earnings**	**Total**
Balance as on 01 April 2020	**31,780**	**(33,965,293)**	**42,443,896**	**8,510,383**
Profit for the year	-	-	9,862,582	9,862,582
Balance as on 31 March 2021	**31,780**	**(33,965,293)**	**52,306,478**	**18,372,965**
Profit for the year	-	-	4,871,307	4,871,307
Balance as on 31 March 2022	**31,780**	**(33,965,293)**	**57,177,785**	**23,244,272**

For and on behalf of the Board of Directors of
Birlasoft Solutions Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Cash Flows
for the year ended 31 March 2022

(Amount in USD)

	31 March 2022	31 March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	**4,871,307**	**9,862,582**
Adjustments for		
Income tax expense	676,477	1,288,607
(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	384	(129)
Depreciation / Amortization	708,041	832,634
Interest expense	414,843	438,914
Interest income	(268,922)	(485,410)
Provision for doubtful debts and advances (net)	175,932	(140,707)
Bad debts written off	-	292,437
Unrealised foreign exchange loss/(gain)	(5)	-
Operating Profit before working capital changes	**6,578,057**	**12,088,928**
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(17,349,134)	(5,734,734)
Loans, other financials assets and other assets	12,400,143	104,402
Trade Payables	14,950,008	(18,426,875)
Other financial liabilities, other liabilities and provisions	(10,888,865)	9,353,162
Cash generated from operations	**5,690,209**	**(2,615,117)**
Income taxes paid	(759,110)	(637,436)
Net cash generated from operating activities (A)	**4,931,099**	**(3,252,553)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(419,854)	(2,603,471)
Proceeds from sale of property, plant and equipment	10,002	1,368,856
Purchase of investments	(2,476)	-
Loan (given to)/repaid by related parties	222,673	8,352,433
Interest received	268,922	485,410
Net cash used in investing activities (B)	**79,267**	**7,603,228**

Statement of Cash Flows (continued)
for the year ended 31 March 2022

(Amount in USD)

	31 March 2022	31 March 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(716,712)	421,579
Loan taken from/(repaid to) related party	(8,000,000)	-
Interest paid	(90,949)	(354,190)
Net cash used in financing activities (C)	**(8,807,661)**	**67,389**
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**(3,797,295)**	**4,418,064**
Cash and cash equivalents at end of the year (Refer note 1 below)	7,703,807	11,501,102
Cash and cash equivalents at beginning of the year (Refer note 1 below)	11,501,102	7,083,038
Net Increase/ (decrease) in cash and cash equivalents	**(3,797,295)**	**4,418,064**

Note 1 :

Cash and cash equivalents include:		
Cheques in hand	38,068	77,919
Balance with banks		
- In current accounts	3,049,756	4,299,724
- In deposit accounts (with original maturity of 3 months or less)	4,615,983	7,123,459
Total Cash and cash equivalents	**7,703,807**	**11,501,102**

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.

For and on behalf of the Board of Directors of
Birlasoft Solutions Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Notes forming part of the financial statements
for the year ended 31 March 2022

Company Overview

Birlasoft Solutions Inc. is a company incorporated in the state of New Jersey, USA. The Company is a wholly owned subsidiary of Birlasoft Limited, India.

The Company provides Software Development, Global IT Consulting to its clients, predominantly in Automotive & Transportation, Manufacturing and Energy & Utilities verticals.

Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been 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 the Companies (Indian Accounting Standards) Rules as amended from time to time The financial statements are presented in US Dollars (USD), 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 for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

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 Company'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 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 twelve months.

1.3 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange of those goods or services.

Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

Revenue on time and material contracts are recognised as the related services are performed and revenue from the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed price contracts where the performance obligations are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (Advance Billing).

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. In arrangements for engineering services and the sale of its related licenses and products, the Company has applied the guidance in Ind AS 115, 'Revenue from contract with customer', by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

Revenue from licenses where the customer obtains a "right to use" the license is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered. Revenue from sale of third party licenses is recognised only when the sale is completed by passing ownership.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the term of the contract.

The Company accounts for volume and / or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

Revenue from sale of goods is recognised upon actual delivery of goods along with transfer of significant risks and rewards to the customers.

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

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold land and vehicles taken on lease are amortized over the period of the lease.

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

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.

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 Company assesses at each date of Balance Sheet whether a financial asset or a Company 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. 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 recognized as an impairment gain or loss in Statement of Profit or Loss.

b. Non- financial assets

Property, plant and equipment and intangible assets

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

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

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

1.10 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items 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.

1.11 Employee benefits

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 Company 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.

1.12 Income and deferred 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 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. 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 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.

1.13 Provisions, Contingent liabilities and Contingent assets

The Company recognizes provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognized for –

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.14 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.

1.15 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group'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 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

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.

The company uses discounted cash flow analysis method for the fair value of its financial instruments. The method of assessing fair value result 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. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. 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

2A Property, plant and equipment

(Amount in USD)

	Plant and equipment	Office Equipment	Furniture and Fixtures	Leasehold improvements	Total
Gross carrying amount as at 1 April 2020	**1,704,433**	**125,605**	**516,344**	**183,008**	**2,529,390**
Additions	166,585	-	-	-	166,585
Disposal	-	14,788	-	-	14,788
Gross carrying amount as at 31 March 2021	**1,871,018**	**110,817**	**516,344**	**183,008**	**2,681,187**
Accumulated depreciation as at 1 April 2020	**1,386,812**	**80,265**	**376,122**	**143,734**	**1,986,933**
Depreciation for the year	159,689	11,052	29,851	17,632	218,224
Disposal	-	129	-	-	129
Accumulated depreciation as at 31 March 2021	**1,546,501**	**91,188**	**405,973**	**161,366**	**2,205,028**
Gross carrying amount as at 1 April 2021	**1,871,018**	**110,817**	**516,344**	**183,008**	**2,681,187**
Additions	419,854	-	-	-	419,854
Disposal	-	-	33,179	-	33,179
Gross carrying amount as at 31 March 2022	**2,290,872**	**110,817**	**483,165**	**183,008**	**3,067,862**
Accumulated depreciation as at 1 April 2021	**1,546,501**	**91,188**	**405,973**	**161,366**	**2,205,028**
Depreciation for the year	196,224	9,641	21,809	13,358	241,032
Disposal	-	-	22,793	-	22,793
Accumulated depreciation as at 31 March 2022	**1,742,725**	**100,829**	**404,989**	**174,724**	**2,423,267**
Carrying amount as at 31 March 2021	**324,517**	**19,629**	**110,371**	**21,642**	**476,159**
Carrying amount as at 31 March 2022	**548,147**	**9,988**	**78,176**	**8,284**	**644,595**

2B Right-of-use assets

(Amount in USD)

	Office Premises	Total
Gross carrying amount as at 1 April 2020	**2,378,819**	**2,378,819**
Additions	2,436,886	2,436,886
Disposal	1,832,051	1,832,051
Gross carrying amount as at 31 March 2021	**2,983,654**	**2,983,654**
Accumulated depreciation as at 01 April 2021	**733,643**	**733,643**
Depreciation for the year	611,901	611,901
Disposal	477,983	477,983
Accumulated depreciation as at 31 March 2021	**867,561**	**867,561**
Gross carrying amount as at 1 April 2021	**2,983,654**	**2,983,654**
Additions	-	-
Disposal	340,266	340,266
Gross carrying amount as at 31 March 2022	**2,643,388**	**2,643,388**
Accumulated depreciation as at 01 April 2021	**867,561**	**867,561**
Depreciation for the year	465,996	465,996
Disposal	340,266	340,266
Accumulated depreciation as at 31 March 2022	**993,291**	**993,291**
Carrying amount as at 31 March 2021	**2,116,093**	**2,116,093**
Carrying amount as at 31 March 2022	**1,650,097**	**1,650,097**

2C Other intangible assets

(Amount in USD)

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2020	**250,363**	**645,955**	**896,318**
Additions	-	-	-
Disposal	-	-	-
Gross carrying amount as at 31 March 2021	**250,363**	**645,955**	**896,318**
Accumulated depreciation as at 1 April 2020	**247,255**	**645,542**	**892,797**
Depreciation for the year	2,223	286	2,509
Disposal	-	-	-
Accumulated depreciation as at 31 March 2021	**249,477**	**645,828**	**895,306**
Gross carrying amount as at 1 April 2021	**250,363**	**645,955**	**896,318**
Additions	-	-	-
Disposal	-	-	-
Gross carrying amount as at 31 March 2022	**250,363**	**645,955**	**896,318**
Accumulated depreciation as at 1 April 2021	**249,477**	**645,828**	**895,305**
Depreciation for the year	886	127	1,013
Disposal	-	-	-
Accumulated depreciation as at 31 March 2022	**250,363**	**645,955**	**896,318**
Carrying amount as at 31 March 2021	**886**	**127**	**1,013**
Carrying amount as at 31 March 2022	**-**	**-**	**-**

3 **Non-Current investments**

(Amount in USD)

	31 March 2022	31 March 2021
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft Solutions Ltda.	1,470,000	1,470,000
(1,12,145(Previous year 1,12,145)Equity shares of Brazilian Reas 1 each fully paid up)		
Birlasoft Consulting, Inc. USA	38,098,832	38,098,832
(1,000 (Previous Year 1,000) Shares of the common stock without par value fully paid up)		
Birlasoft Solutions Mexico S.A.DE C.V.	2,476	-
(49 (Previous Year Nil) Shares of fixed capital stock with a value of 1000 MXP)		
	39,571,308	**39,568,832**

4 **Loans**

(Amount in USD)

	31 March 2022	31 March 2021
Loans Receivable from related parties (Refer note 27) - Considered good - Unsecured		
-Loan to Birlasoft Solutions Ltda.	-	150,000
-Loan to Birlasoft Solutions Mexico S.A. DE C.V.	-	72,673
	-	**222,673**

5 **Other financial assets**

(Amount in USD)

	31 March 2022	31 March 2021
Security deposits	-	3,944
	-	**3,944**

6 **Deferred tax assets (net)**

(Amount in USD)

	31 March 2022	31 March 2021
Deferred tax assets		
-Provision for doubtful debts and advances	188,802	-
-Provision for compensated absences	258,989	424,930
-Subcontractor payable	269,641	24,909
-Bad Debt Reserve	-	76,826
-Accrued expenses	118,006	43,133
-Accrued Payroll	19,644	7,240
-Lease liabilities	533,385	510,102
-Others	807,520	481,988
	2,195,987	**1,569,127**
Deferred tax liabilities		
-Prepaid Expenses	17,739	221,958
-Provision for depreciation	166,204	89,208
-Interest payable	(38,422)	(130,102)
-Provision for doubtful debts	81,790	33,047
-Right Of Use Assets	481,974	486,462
	709,286	**700,572**
Net deferred tax asset	**1,486,702**	**868,555**

7 **Other non-current assets**

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	11,493	1,053,308
Contract Fulfillment Cost	636,243	71,446
	647,736	**1,124,754**

8 **Trade receivables**

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured)		
Trade Receivables considered good	43,326,117	27,338,010
Trade Receivables - credit impaired	646,386	331,143
	43,972,503	**27,669,153**
Less: Allowances for bad and doubtful trade receivables	646,386	190,436
	43,326,117	**27,478,717**

9 **Cash and bank balances**

(Amount in USD)

	31 March 2022	31 March 2021
Cash and cash equivalents		
- Cheques in hand	38,068	77,919
Balances with banks		
- In current accounts	3,049,756	4,299,724
- In deposit accounts (with original maturity of 3 months or less)	4,615,983	7,123,459
	7,703,807	**11,501,102**

10 **Loans**

(Amount in USD)

	31 March 2022	31 March 2021
Loans Receivable from related parties (Refer note 27) - Considered good - Unsecured		
-Loan to Birlasoft Solutions Limited (UK)	-	9,857,832
-Loan to Birlasoft Solutions Ltda.	-	253,116
-Loan to Birlasoft Solutions Mexico S.A. DE C.V.	-	2,516
	-	**10,113,464**

11 **Other current financial assets**

(Amount in USD)

	31 March 2022	31 March 2021
- Security deposits	13,151	53,534
	13,151	**53,534**

12 **Other current assets**

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Employee advances	80,129	4,323
Advance to suppliers	7,772	7,847
Contract assets -from fixed price contracts	23,973,717	25,343,691
Prepaid expenses	99,427	1,089,785
Contract Fulfillment Cost	1,141,552	605,601
Balances with statutory authorities	-	16,774
Others	40,465	40,375
	25,343,062	**27,108,396**

13 Equity share capital

(Amount in USD)

	31 March 2022	31 March 2021
Authorised:		
100,000 shares common stock without par value		
Issued subscribed and fully paid up:		
12,467 (Previous year 12,467) shares of common stock without par value fully paid up	55,709,854	55,709,854
	55,709,854	**55,709,854**

14 Lease liabilities - non-current

(Amount in USD)

	31 March 2022	31 March 2021
Lease liabilities	1,476,227	1,827,042
	1,476,227	**1,827,042**

15 Non Current Borrowings

(Amount in USD)

	31 March 2022	31 March 2021
Loans from related parties (Refer note 27)		
-Loan from Birlasoft Inc.	-	8,000,000
	-	**8,000,000**

16 Non Current Provisions

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	-	1,675,269
	-	**1,675,269**

17 Trade payables

(Amount in USD)

	31 March 2022	31 March 2021
Total outstanding dues of trade payables	33,189,205	18,239,197
	33,189,205	**18,239,197**

18 Lease liabilities - current

(Amount in USD)

	31 March 2022	31 March 2021
Lease liabilities	349,882	391,885
	349,882	**391,885**

19 Other current financial liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Current maturities of long term debt:		
- Loan from Birlasoft Technologies Canada Corporation	-	4,254,375
- Loan from Birlasoft Inc.	-	221,181
Accrued employee costs	3,397,259	4,705,906
Payable to related party	414,556	2,489,707
Security deposits	8,946	22,229
	3,820,761	**11,693,398**

20 Other current liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Unearned revenue	3,853,511	4,596,195
Advances from customers	480,310	438,925
Statutory remittances	1,249,943	2,503,162
	5,583,764	**7,538,282**

21 Provisions - current

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	1,003,530	389,971
	1,003,530	**389,971**

22 Revenue from operations

(Amount in USD)

	31 March 2022	31 March 2021
Software services	185,669,855	172,460,838
	185,669,855	**172,460,838**

23 Other income

(Amount in USD)

	31 March 2022	31 March 2021
Interest income	268,922	485,410
Profit/(Loss) on sale of property, plant and equipment and intangible assets (net)	-	129
Foreign exchange gain (net)	106,385	(125,955)
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	1,345	375,819
	376,652	**735,403**

24 Employee benefits expense

(Amount in USD)

	31 March 2022	31 March 2021
Salaries, wages and incentives	44,381,303	53,441,172
Share based compensation to employees	124,800	68,926
Staff welfare expenses	38,501	17,903
	44,544,604	**53,528,001**

25 Finance costs

(Amount in USD)

	31 March 2022	31 March 2021
Interest expense	90,949	354,190
Interest on lease liabilities	323,894	84,724
	414,843	**438,914**

26 Other expenses

(Amount in USD)

	31 March 2022	31 March 2021
Travel and overseas expenses (net)	1,445,722	677,552
Transport and conveyance (net)	-	181,454
Cost of service delivery (net)	111,701,062	88,864,807
Cost of professional sub-contracting (net)	19,014,910	14,833,639
Recruitment and training expenses	288,783	189,736
Power and fuel	38,960	61,680
Rent	43,596	96,645
Repairs and maintenance -		
- plant and equipment	101,359	135,765
- others	3,676	-
Insurance	244,142	125,144
Rates and taxes	323,787	175,563
Communication expenses (net)	450,120	664,493
Legal and professional fees	460,422	667,677
Marketing expenses	108,037	5,620
Printing & stationery	5,915	26,626
Bad debts written off	-	292,437
Provision for doubtful debts and advances (net)	175,932	(140,707)
Loss on sale of property, plant and equipment and intangible assets (net)	384	-
Miscellaneous expenses (net)	424,428	387,372
	134,831,235	**107,245,503**

Note

Certain expenses are net of recoveries/reimbursements from customers.

27 Related party disclosures

A. Name of the related party and nature of relationship where control exists:

Relationship	Name of related party
Holding Company	Birlasoft Limited, India
Subsidiary Companies	Birlasoft Consulting Inc. USA
(Direct holding)	Birlasoft Solutions Ltda.
	Birlasoft Solutions Mexico S.A. DE C.V.
Fellow Subsidiary Companies	Birlasoft Technologies Canada Corporation
	Birlasoft Solutions France
	Birlasoft Computer Corporation
	Birlasoft Inc.
	Birlasoft Solutions ME FZE
	Birlasoft Solutions GmbH
	Birlasoft Solutions Limited ,UK
	Birlasoft (UK) Limited
	Birlasoft Sdn. Bhd.

B. Transactions with related parties

(Amount in USD)

Sr.	Name of the related party	FY 2021-22		FY 2020-21	
		Amount of transactions 2021-22	Balance as on 31 March 2022	Amount of transactions 2020-21	Balance as on 31 March 2021
1	**Birlasoft Limited, India**				
	Sale of Software Services	3,686	-	356	-
	Software service charges	79,466,039	(9,382,102)	57,026,774	(3,544,792)
	Advance taken (net)	(112,669)	(103,059)	(19,888)	(672,347)
	Reimbursement of expenses (net) (including share based payment expense)	(151,570)		(27,020)	
2	**Birlasoft Consulting Inc. USA**				
	Sale of Software Services	2,838,207	2,657,361	3,714,587	3,014,587
	Software service charges	6,707,462	(5,538,829)	4,264,924	(380,406)
	Investment in equity	-	38,098,832	-	38,098,832
	Advance received (net)	(241,753)	(35,359)	(506,444)	(399,280)
	Reimbursement of expenses (net)	(15,103)		(17,309)	
3	**Birlasoft Solutions Ltda.**				
	Software service charges	1,390,035	-	1,027,823	(113,745)
	Loans Given	-	-	(400,000)	403,116
	Interest Received	-		34,742	
	Interest Income	5,667		25,027	
	Repayment of loan received	400,000			
	Investment in equity	-	1,470,000	-	1,470,000
4	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Loans Given	72,672	-	43,139	(75,189)
	Interest Income	212		2,458	
	Reimbursement of expenses (net)	5,000	5000	-	-
	Software service charges	168,822	20,441	135,627	(16,243)
	Sale of Software Services	141,410	-	122,242	122,242
	Investment in equity	2,476	2,476	-	-
5	**Birlasoft Technologies Canada Corporation**				
	Interest expenses	-	-	131,252	(4,254,375)
	Repayment of Loan				
	Advance received (net)	-	3,566	381,101	(104,677)
	Reimbursement of expenses	3,531		8	
	Sale of Software Services	703,393	203,628	1,139,065	47,458
	Software service charges	1,846,069	(1,421,883)	883,316	(1,252,675)
6	**Birlasoft Solutions France**				
	Sale of Software Services	565	-	8,639	565
	Software service charges	200,929	(200,929)	(9,863)	(9)
7	**Birlasoft Computer Corporation**				
	Software service charges	7,995,983	(7,996,295)	8,629,405	(10,798,140)
	Sale of Software Services	4,642,933	2,926,095	3,949,567	1,415,326
	Advance received (net)	(170,922)	(54,684)	172,947	(79,373)
	Reimbursement of expenses (net)	(10,183)		(18,409)	
8	**Birlasoft Inc.**				
	Loan Received	800,000	-	8,000,000	(8,221,181)
	Interest expenses	131,542		221,181	
	Advance received (net)	(738,060)	(98,478)	(39,896)	(278,218)
	Reimbursement of expenses	(268,388)		-	
	Sale of Software Services	6,608,962	4,984,150	2,839,703	426,099
	Software service charges	2,998,897	(2,571,813)	857,168	(857,168)
9	**Birlasoft Solutions ME FZE., Dubai**				
	Software service charges	-	-	719	-
10	**Birlasoft Solutions ME FZE. (Australia Branch)**				
	Sale of Software Services	-	-	-	7,596
	Software service charges	789,255	(24,803)	51,733	(6,411)
11	**Birlasoft Solutions GmbH**				
	Sale of Software Services	1,827	(1,827)	9,792	94,593
	Software service charges	100	(100)	-	-

B. Transactions with related parties (contd.)

(Amount in USD)

<table>
<tr><th rowspan="2">Sr.</th><th rowspan="2">Name of the related party</th><th colspan="2">FY 2021-22</th><th colspan="2">FY 2020-21</th></tr>
<tr><th>Amount of transactions 2021-22</th><th>Balance as on 31 March 2022</th><th>Amount of transactions 2020-21</th><th>Balance as on 31 March 2021</th></tr>
<tr><td>12</td><td colspan="5">Birlasoft Solutions Limited,UK</td></tr>
<tr><td></td><td>Software service charges</td><td>875,543</td><td>(631,411)</td><td>432,664</td><td>17,403</td></tr>
<tr><td></td><td>Sale of Software Services</td><td>822,802</td><td>785,815</td><td>26,538</td><td rowspan="2">9,857,832</td></tr>
<tr><td></td><td>Advance received (net)</td><td>23,696</td><td>-</td><td>63,945</td></tr>
<tr><td></td><td>Repayment of loan received</td><td>9,857,832</td><td rowspan="2">-</td><td>496,153</td><td rowspan="2">9,857,832</td></tr>
<tr><td></td><td>Interest Income</td><td>240,744</td><td>366,941</td></tr>
<tr><td>13</td><td colspan="5">Birlasoft (UK) Limited</td></tr>
<tr><td></td><td>Software service charges</td><td>121,804</td><td>(103,421)</td><td>24,783</td><td>(4,975)</td></tr>
<tr><td></td><td>Sale of Software Services</td><td>206,519</td><td>206,573</td><td>54</td><td>54</td></tr>
<tr><td>14</td><td colspan="5">Birlasoft (UK) Limited, Netherland</td></tr>
<tr><td></td><td>Software service charges</td><td>256,241</td><td>(169,079)</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Sale of Software Services</td><td>7,374</td><td>7,374</td><td>290,122</td><td>(343,621)</td></tr>
<tr><td>15</td><td colspan="5">Birlasoft Sdn. Bhd.</td></tr>
<tr><td></td><td>Sale of Software Services</td><td>-</td><td>-</td><td>(141)</td><td>-</td></tr>
</table>

28 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2022 (previous year 31 March 2021 - nil)

29 Previous period's figures have been regrouped / reclassified wherever necessary to conform with the current period's classification / disclosure.

For and on behalf of the Board of Directors of
Birlasoft Solutions Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Birlasoft Consulting, Inc.

Registered Office: 399, Thornall Street, 8th Floor, Edison, New Jersey 08837.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	2021-22 USD (Million)	2020-21 USD (Million)
Total Income	26.46	31.60
Net Profit / (Loss) for the year	1.38	(5.38)

Operations

During the year under review, the total income of the Company has decreased by 16.27% resulting in net profit of USD 1.38 million.

Board of Directors

During the year under review, there was no change in the composition of the Board of Directors of the Company. Mr. Dharmander Kapoor and Mr. Roopinder Singh are the Directors of the Company.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

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For and on behalf of the Board of
Birlasoft Consulting, Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Balance Sheet

as at 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2A	21,983	39,825
Right-of-use assets	2B	-	-
Capital work-in-progress		-	279
Other intangible assets	2C	-	-
Financial assets			
Investments	3	51	-
Other financial assets	4	10,310	16,057
Deferred tax assets (net)	5	785,197	946,667
		817,541	**1,002,828**
Current assets			
Financial assets			
Trade receivables			
Billed	6	10,571,120	6,520,522
Unbilled		644,272	458,610
Cash and cash equivalents	7	1,092,144	1,624,174
Other financial assets	8	35,359	466,504
Other current assets	9	146,372	98,277
		12,489,267	**9,168,087**
TOTAL ASSETS		**13,306,808**	**10,170,915**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	5,105,200	5,105,200
Other equity		(2,735,122)	(4,115,594)
Total equity		**2,370,078**	**989,606**
Liabilities			
Non-current liabilities			
Provisions	11	-	590,568
		-	**590,568**
Current liabilities			
Financial liabilities			
Trade payables	12	8,864,859	5,502,913
Other financial liabilities	13	401,782	1,117,881
Other current liabilities	14	539,597	759,389
Provisions	15	305,037	427,962
Income tax liabilities (net)		825,455	782,596
		10,936,730	**8,590,741**
TOTAL EQUITY AND LIABILITIES		**13,306,808**	**10,170,915**

Significant accounting policies 1

Notes referred to above form an integral part of the financial statements 2-23

For and on behalf of the Board of
Birlasoft Consulting, Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Profit and Loss
for the year ended 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
Revenue from operations	16	26,464,882	31,492,455
Other income (net)	17	79	107,608
Total income		**26,464,961**	**31,600,063**
Expenses			
Employee benefits expense	18	10,454,285	16,133,246
Finance costs	19	17	1,745
Depreciation and amortization expense	2	17,921	220,600
Other expenses	20	14,450,498	20,426,931
Total expenses		**24,922,721**	**36,782,522**
Profit/ (loss) before tax		**1,542,240**	**(5,182,459)**
Tax expense			
Current tax		298	(1,466)
Deferred tax (benefit)/charge		161,470	203,451
Total tax expense		**161,768**	**201,985**
Profit/ (loss) for the year		**1,380,472**	**(5,384,444)**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-23

For and on behalf of the Board of Directors of
Birlasoft Consulting, Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Changes in Equity
for the year ended 31 March 2022

(Amount in USD)

		31 March 2022
A	**Equity share capital**	**Amount**
	Balance as at 1 April 2020	**5,105,200**
	Changes in equity share capital during 2020-21	-
	Balance as at 31 March 2021	**5,105,200**
	Changes in equity share capital during 2021-22	-
	Balance as at 31 March 2022	**5,105,200**

B	**Other equity**		
	Particulars	**Retained earnings**	**Total**
	Balance as on 01 April 2020	**1,268,850**	**1,268,850**
	Profit for the year	(5,384,444)	(5,384,444)
	Balance as on 31 March 2021	**(4,115,594)**	**(4,115,594)**
	Profit for the year	1,380,472	1,380,472
	Balance as on 31 March 2022	**(2,735,122)**	**(2,735,122)**

For and on behalf of the Board of Directors of
Birlasoft Consulting, Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Cash Flows

for the year ended 31 March 2022

(Amount in USD)

PARTICULARS	31 March 2022	31 March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) for the year	1,380,472	(5,384,444)
Adjustments for		
Income tax expense	161,768	201,985
Depreciation / Amortization	17,921	220,601
Interest expense	17	1,745
Provision for doubtful debts and advances (net)	(113,558)	(351,055)
Bad debts written off	-	396,265
Unrealised foreign exchange loss/(gain)	463	-
Operating Profit before working capital changes	**1,447,083**	**(4,914,903)**
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(4,122,702)	3,026,949
Other financials assets and other assets	388,797	545,498
Trade Payables	3,361,483	323,011
Other financial liabilities, other liabilities and provisions	(1,649,384)	976,490
Cash generated from operations	**(574,723)**	**(42,955)**
Income taxes paid	42,561	373
Net cash generated from operating activities (A)	**(532,162)**	**(42,582)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	200	(649)
Purchase of investments	(51)	-
Net cash used in investing activities (B)	**149**	**(649)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	-	(108,395)
Interest and finance charges paid	(17)	(208)
Net cash used in financing activities (C)	**(17)**	**(108,603)**
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**(532,030)**	**(151,834)**
Cash and cash equivalents at close of the year (Refer note 1 below)	1,092,144	1,624,174
Cash and cash equivalents at beginning of the year (Refer note 1 below)	1,624,174	1,776,008
Cash surplus / (deficit) for the year	**(532,030)**	**(151,834)**

Note 1 :

Cash and cash equivalents include:		
Cheques in hand	-	180,175
Balance with banks		
- In current accounts	1,092,144	1,443,999
Total Cash and cash equivalents	**1,092,144**	**1,624,174**

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.

For and on behalf of the Board of Directors of
Birlasoft Consulting, Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Notes forming part of the financial statements

for the year ended 31 March 2022

Company Overview:

Birlasoft Consulting, Inc. is a Company incorporated in the state of California, USA. The Company is a wholly owned subsidiary of Birlasoft Solutions Inc., USA and ultimate holding company is Birlasoft Limited, India.

The Company is engaged in the business of providing pre-packaged, industry-specific SAP software solutions and IT services.

1. Significant Accounting Policies:

1.1 Basis for preparation of 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 the Companies (Indian Accounting Standards) Rules as amended from time to time.

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 under common control, accounting for share based payments, defined benefit obligations, purchase consideration in business combinations and certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

1.2 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange of those goods or services.

Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis. Revenue on time and material contracts are recognised as the related services are performed and revenue from the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed price contracts where the performance obligations are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (Advance Billing)

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. In arrangements for engineering services and the sale of its related licenses and products, the Company has applied the guidance in Ind AS 115, 'Revenue from contract with customer', by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

1.3 Current-non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised 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 atleast 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.

Liability

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.

1.4 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 other 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. 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 Company intends to and has sufficient resources to complete development and to use 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 fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

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.

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

1.8 Impairment

a. Financial assets

The Company assesses at each date of Balance Sheet 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. 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 recognized as an impairment gain or loss in Statement of Profit or Loss.

b. Non- financial assets

i. Property, plant and equipment and intangible assets

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

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

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

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.9 Income & deferred taxes

The Company is a part of a tax consolidation group consisting of Birlasoft Solutions Inc. (Erstwhile known as KPIT Infosystems Incorporated) (the holding company or the parent entity), the Company. The tax-consolidated group prepares a single consolidated annual tax return, and the parent entity records the ultimate tax obligations. Based on the contractual arrangements between Company and the holding company, receivables/payables on account of current tax are settled between the companies.

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 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. 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. 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.

1.10 Leases

The Group has primarily leased rental offices premises.

1. As a lessee

The Group recognises the right of use of asset and right of use of liability at the commencement date of lease. The right of use of asset is initially measured at cost , which comprise of present value of future liabilty (lease rent payouts), any payment made at or before commencement date any inital 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 liabilty 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. The Group presents its right of use of assets in property plant and euipments and lease liabilties in financial liabilities in the statement of financial position.

2. **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.

3. **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.

4. **Impairment testing for right of use of assets**

Right of use of assets are tested for are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss ,if any ,is recognised in statement of profit and loss.

1.11 Earnings per share

Basic earnings per share are computed by dividing the 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 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.

1.12 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items 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.

1.13 Employee benefits

Post-employment benefit plans

Defined benefit plan

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

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

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise 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 Company 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.

1.14 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.

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.15 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.

1.16 Financial Instrument

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

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.

c. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value of financial instruments

The Company uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP) , where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realized.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

Fair value measurements.

The Company measures financial instruments, such as, derivatives and investments in mutual funds at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. 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 Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The team comprises of the head of the treasury operation and chief finance officer.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

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.

1.17 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group'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.

1.18 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 productivity. 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. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and when ever 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.

c. Income tax

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2A Property, plant and equipment

(Amount in USD)

	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2020	**32,643**	**377,145**	**125,393**	**752,308**	**1,287,489**
Additions	-	370	-	-	370
Disposal	-	-	-	-	-
Gross carrying amount as at 31 March 2021	**32,643**	**377,515**	**125,393**	**752,308**	**1,287,859**
Accumulated depreciation as at 1 April 2020	**32,643**	**375,450**	**120,066**	**697,267**	**1,225,426**
Depreciation	-	1,219	3,808	17,581	22,608
Disposal	-	-	-	-	-
Accumulated depreciation as at 31 March 2021	**32,643**	**376,669**	**123,874**	**714,848**	**1,248,034**
Gross carrying amount as at 1 April 2021	**32,643**	**377,515**	**125,393**	**752,308**	**1,287,859**
Additions	-	79	-	-	79
Disposal	-	-	-	-	-
Gross carrying amount as at 31 March 2022	**32,643**	**377,594**	**125,393**	**752,308**	**1,287,938**
Accumulated depreciation as at 1 April 2021	**32,643**	**376,669**	**123,874**	**714,848**	**1,248,034**
Depreciation	-	540	462	16,919	17,921
Disposal	-	-	-	-	-
Accumulated depreciation as at 31 March 2022	**32,643**	**377,209**	**124,336**	**731,767**	**1,265,955**
Carrying amount as at 31 March 2021	**-**	**846**	**1,519**	**37,460**	**39,825**
Carrying amount as at 31 March 2022	**-**	**385**	**1,057**	**20,541**	**21,983**

2B Right-of-use assets

(Amount in USD)

	Office Premises	Total
Gross carrying amount as at 1 April 2020	**216,215**	**216,215**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2021	**216,215**	**216,215**
Accumulated depreciation as at 01 April 2020	**117,965**	**117,965**
Depreciation	98,250	98,250
Disposal	-	-
Accumulated depreciation as at 31 March 2021	**216,215**	**216,215**
Gross carrying amount as at 1 April 2021	**216,215**	**216,215**
Additions	-	-
Disposal	216,215	216,215
Gross carrying amount as at 31 March 2022	**-**	**-**
Accumulated depreciation as at 01 April 2021	**216,215**	**216,215**
Depreciation	-	-
Disposal	216,215	216,215
Accumulated depreciation as at 31 March 2022	**-**	**-**
Carrying amount as at 31 March 2021	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**

2C Other intangible assets

(Amount in USD)

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2020	**3,729,757**	**215,385**	**3,945,142**
Additions	-	-	-
Disposal	-	-	-
Gross carrying amount as at 31 March 2021	**3,729,757**	**215,385**	**3,945,142**
Accumulated depreciation as at 01 April 2020	**3,630,020**	**215,379**	**3,845,399**
Depreciation	99,737	6	99,743
Disposal	-	-	-
Accumulated depreciation as at 31 March 2021	**3,729,757**	**215,385**	**3,945,142**
Gross carrying amount as at 1 April 2021	**3,729,757**	**215,385**	**3,945,142**
Additions	-	-	-
Disposal	-	-	-
Gross carrying amount as at 31 March 2022	**3,729,757**	**215,385**	**3,945,142**
Accumulated depreciation as at 1 April 2021	**3,729,757**	**215,385**	**3,945,142**
Depreciation	-	-	-
Disposal	-	-	-
Accumulated depreciation as at 31 March 2022	**3,729,757**	**215,385**	**3,945,142**
Carrying amount as at 31 March 2021	**-**	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**	**-**

3 Non-Current investments

(Amount in USD)

	31 March 2022	31 March 2021
Investments in Mexico	51	-
1 (Previous Year Nil) Share of the common stock with value of $1000 MXP		
	51	**-**

4 Other financial assets

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Security deposits	10,310	16,057
	10,310	**16,057**

5 Deferred tax assets (net)

(Amount in USD)

	31 March 2022	31 March 2021
Deferred tax assets		
-Provision for doubtful debts and advances	522,861	546,370
-Provision for Compensated Absences	63,344	149,891
-Accrued Payroll	12,970	9,930
-Excess of depreciation/amortisation on property, plant and equipment provided in books over depreciation/amortisation as under income-tax law.	260,271	296,444
-Accrued expenses	1,117	4,240
-Others (mainly includes employee related provision)	69,850	97,325
	930,413	**1,104,200**
Deferred tax liabilities		
-Prepaid Expenses	1,118	8,551
-Provision for doubtful debts	144,098	148,982
	145,216	**157,533**
Net deferred tax asset	**785,197**	**946,667**

6 Trade receivables

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured)		
Trade Receivables considered good	10,571,120	6,520,522
Trade Receivables - credit impaired	1,778,764	1,892,322
	12,349,884	**8,412,844**
Less: Allowances for bad and doubtful trade receivables	1,778,764	1,892,322
	10,571,120	**6,520,522**

7 Cash and bank balances

(Amount in USD)

	31 March 2022	31 March 2021
Cash and cash equivalents		
- Cheques in hand	-	180,175
Balances with banks		
- In current accounts	1,092,144	1,443,999
	1,092,144	**1,624,174**

8 Other current financial assets

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Security deposits	-	10,101
Other receivables from Related Parties	35,359	456,403
	35,359	**466,504**

9 Other current assets

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	499	202
Employee advances	1,691	1,245
Balances with statutory authorities	82,725	-
Prepaid expenses	5,250	40,618
Others	56,207	56,212
	146,372	**98,277**

10 Equity share capital

(Amount in USD)

	31 March 2022	31 March 2021
Authorised:		
1000 Shares common stock without par value		
Issued subscribed and fully paid up:		
1000 (Previous year 1000) Shares of the common stock without par value fully paid	5,105,200	5,105,200
	5,105,200	**5,105,200**

11 Provisions - non-current

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	-	590,568
	-	**590,568**

12 Trade payables

(Amount in USD)

	31 March 2022	31 March 2021
Trade payable	8,864,859	5,502,913
	8,864,859	**5,502,913**

13 Other current financial liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Accrued employee costs	380,954	1,093,538
Other payables to related party	20,828	24,343
	401,782	**1,117,881**

14 Other current liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Unearned revenue	22,680	10,356
Advances from customers	81,272	-
Statutory remittances	435,645	749,033
	539,597	**759,389**

15 **Provisions - current**

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	305,037	427,962
	305,037	**427,962**

16 **Revenue from operations**

(Amount in USD)

	31 March 2022	31 March 2021
Software services	26,464,882	31,492,455
	26,464,882	**31,492,455**

17 **Other income**

(Amount in USD)

	31 March 2022	31 March 2021
Interest income	-	28
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	79	107,580
	79	**107,608**

18 **Employee benefits expense**

(Amount in USD)

	31 March 2022	31 March 2021
Salaries, wages and incentives	10,422,138	16,109,762
Share based compensation to employees	19,605	15,446
Staff welfare expenses	12,542	8,038
	10,454,285	**16,133,246**

19 **Finance costs**

(Amount in USD)

	31 March 2022	31 March 2021
Interest on lease liabilities	-	1,537
Other Interest expense	17	208
	17	**1,745**

20 **Other expenses**

(Amount in USD)

	31 March 2022	31 March 2021
Travel and overseas expenses (net)	72,086	150,334
Cost of service delivery (net)	9,988,263	12,698,413
Cost of professional sub-contracting (net)	4,329,761	7,232,028
Rent	3,349	14,058
Repairs and maintenance -		
- plant and equipment	2,105	4,667
Rates and taxes	6,102	15,457
Communication expenses (net)	41,772	81,258
Legal and professional fees	119,522	149,609
Printing & stationery	-	2,999
Foreign exchange loss (net)	(4,440)	8,018
Bad debts written off	-	396,265
Provision for doubtful debts and advances (net)	(113,558)	(351,055)
Miscellaneous expenses (net)	5,536	24,880
	14,450,498	**20,426,931**

Note

Certain expenses are net of recoveries/reimbursements from customers.

21 **Related party transactions:**

A. Relationship with parent, subsidiaries and fellow subsidiaries

Relationship	Name of related party
Ultimate Holding Company	Birlasoft Limited, India
Holding Company	Birlasoft Solutions Inc.
Fellow Subsidiary Companies	Birlasoft Technologies Canada Corporation
	Birlasoft Computer Corporation, USA
	Birlasoft Inc.
	Birlasoft Solutions Limited, UK
	Birlasoft Solutions GmbH
	Birlasoft Solutions France
	Birlasoft (UK) Limited
	Birlasoft Solutions Mexico S.A. DE C.V.
	Birlasoft Sdn. Bhd.

B. Transactions with related parties

(Amount in USD)

Sr.	Name of the related party	FY 2021-22		FY 2020-21	
		Amount of transactions 2021-22	**Balance as on 31 March 2022**	**Amount of transactions 2020-21**	**Balance as on 31 March 2021**
1	**Birlasoft Limited, India**				
	Software service charges	6,763,017	(5,374,974)	8,512,566	(1,820,075)
	Sale of software services	1,482	1,482	-	-
	Advance received (net)	(15,159)	(12,959)	-	(24,341)
	Reimbursement of expenses (including share based payment expense)	(20,528)		(15,446)	
2	**Birlasoft Solutions Inc.**				
	Sale of software services	6,707,462	5,538,829	4,264,924	380,406
	Software service charges	2,838,207	(2,657,361)	3,714,587	(3,014,587)
	Advance received (net)	241,753	35,359	506,444	399,280
	Reimbursement of expenses	15,103		54,391	
3	**Birlasoft Technologies Canada Corporation**				
	Software service charges	203,559	(131,940)	116,279	(17,702)
	Sale of software services	144,177	87,696	35,748	5,092
4	**Birlasoft Computer Corporation, USA**				
	Reimbursement of expenses	-	-	-	57,123
	Advance received (net)	-		38,718	
	Sale of software services	677,113	398,542	1,261,404	1,465,043
	Software service charges	3,108	(3,108)	-	-
5	**Birlasoft Inc., USA**				
	Software service charges	530,258	(350,745)	55,596	(21,408)
	Sale of software services	656,518	473,567	405,593	62,177
	Advance received (net)	(143,024)	(7,869)	275,662	35,932
	Reimbursement of expenses	(57,281)		(30,684)	
6	**Birlasoft Solutions Limited, UK**				
	Software service charges	10,887	(10,887)	-	-
7	**Birlasoft Solutions GmbH**				
	Sale of software services	176,443	92,945	583,368	274,226
8	**Birlasoft Solutions France**				
	Sale of software services	3,266	2,583	3,132	280
9	**Birlasoft (UK) Limited**				
	Sale of software services	-	-	1,222	-
10	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Software service charges	198	(217)	-	-
	Investment in Mexico	51	51	-	-
11	**Birlasoft Sdn. Bhd.**				
	Sale of software services	-	(1,628)	-	-

22 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2022 (previous year 31 March 2021 - Nil)

23 Previous period's figures have been regrouped / reclassified wherever necessary to conform with the current period's classification / disclosure.

For and on behalf of the Board of Directors of
Birlasoft Consulting, Inc.

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Birlasoft Computer Corporation

Registered Office: : 399, Thornall Street, 8th Floor, Edison, New Jersey 08837, USA.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	**2021-22 USD (Million)**	**2020-21 USD (Million)**
Total Income	41.70	36.73
Net Profit / (Loss) for the year	1.36	(0.93)

Operations

During the year under review, total income of the Company increased by 13.53% which resulted in net profit of USD 1.36 million.

Board of Directors

During the year under review, there was no change in the composition of the Board of Directors of the Company. Mr. Dharmander Kapoor and Mr. Roopinder Singh are the Directors of the Company.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors of
Birlasoft Computer Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Balance Sheet

as at 31 March 2022

(Amount in USD)

	Note	**31 March 2022**	**31 March 2021**
ASSETS			
Non-current assets			
Property, plant and equipment	2A	322	563
Other intangible assets	2B	-	-
Financial assets			
Investments	3	1	1
Income tax assets (net)		479,813	462,119
Deferred tax assets (net)	4	281,191	424,423
		761,327	**887,106**
Current assets			
Financial assets			
Trade receivables			
Billed	5	15,443,789	15,593,445
Unbilled		807,426	2,159,799
Cash and cash equivalents	6	4,180,928	2,911,074
Other financial assets	7	54,684	-
Other current assets	8	1,977,081	15,995
		22,463,908	**20,680,313**
TOTAL ASSETS		**23,225,235**	**21,567,419**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	110,000	110,000
Other equity		13,733,840	12,369,260
Total equity		**13,843,840**	**12,479,260**
Liabilities			
Non-current liabilities			
Provisions	10	-	786,278
		-	**786,278**
Current liabilities			
Financial liabilities			
Trade payables	11	7,317,325	5,083,137
Other financial liabilities	12	1,203,781	1,573,305
Other current liabilities	13	401,813	1,445,304
Provisions	14	458,476	116,860
Income tax liabilities (net)		-	83,275
		9,381,395	**8,301,881**
TOTAL EQUITY AND LIABILITIES		**23,225,235**	**21,567,419**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-22

For and on behalf of the Board of Directors of
Birlasoft Computer Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Profit and Loss

(Amount in USD)

	Note	31 March 2022	31 March 2021
Revenue from operations	15	41,698,176	36,646,747
Other income (net)	16	-	78,788
Total income		**41,698,176**	**36,725,535**
Expenses			
Employee benefits expense	17	15,669,112	16,777,316
Finance costs	18	14	120
Depreciation and amortization expense	2	319	170
Other expenses	19	24,383,918	20,685,583
Total expenses		**40,053,363**	**37,463,189**
Profit before tax		1,644,813	(737,654)
Tax expense			
Current tax		137,001	(17,236)
Deferred tax (benefit)/charge		143,232	207,128
Total tax expense		**280,233**	**189,892**
Profit for the year		**1,364,580**	**(927,546)**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-22

For and on behalf of the Board of Directors of
Birlasoft Computer Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Changes in Equity

for the year ended 31 March 2022

(Amount in USD)

	Note	31 March 2022
A	**Equity share capital**	**Amount**
	Balance as at 1 April 2020	**110,000**
	Changes in equity share capital during 2020-21	-
	Balance as at 31 March 2021	**110,000**
	Changes in equity share capital during 2021-22	-
	Balance as at 31 March 2022	**110,000**

B Other equity

	Retained earnings	Total
Balance as on 01 April 2020	**13,296,806**	**13,296,806**
Profit for the year	(927,546)	(927,546)
Balance as on 31 March 2021	**12,369,260**	**12,369,260**
Profit for the year	1,364,580	1,364,580
Balance as on 31 March 2022	**13,733,840**	**13,733,840**

For and on behalf of the Board of Directors of
Birlasoft Computer Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Statement of Cash Flows
for the year ended 31 March 2022

(Amount in USD)

	31 March 2022	31 March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) for the year	**1,364,580**	**(927,546)**
Adjustments for		
Income tax expense	280,233	189,892
Depreciation / Amortization	319	170
Interest expense	14	120
Interest income	-	(11)
Provision for doubtful debts and advances (net)	-	30,094
Bad debts written off	-	16,997
Unrealised foreign exchange loss/(gain)	22,611	-
Operating Profit before working capital changes	**1,667,757**	**(690,284)**
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	1,501,901	2,052,931
Other financials assets and other assets	(2,015,770)	38,054
Trade Payables	2,211,705	(710,808)
Other financial liabilities, other liabilities and provisions	(1,857,677)	158,139
Cash generated from operations	**1,507,916**	**848,032**
Income taxes paid	(237,970)	(4,072)
Net cash generated from operating activities (A)	**1,269,946**	**843,960**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(78)	(368)
Interest received	-	11
Net cash used in investing activities (B)	**(78)**	**(357)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest and finance charges paid	(14)	(120)
Net cash used in financing activities (C)	**(14)**	**(120)**
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**1,269,854**	**843,483**
Cash and cash equivalents at close of the year (Refer note 1 below)	4,180,928	2,911,074
Cash and cash equivalents at beginning of the year (Refer note 1 below)	2,911,074	2,067,591
Cash surplus / (deficit) for the year	**1,269,854**	**843,483**

Note 1 :

Cash and cash equivalents include:		
Cheques in hand	1,104,023	35,677
Balance with banks		
- In current accounts	3,076,905	2,875,397
Total Cash and cash equivalents	**4,180,928**	**2,911,074**

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.

For and on behalf of the Board of Directors of
Birlasoft Computer Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Notes forming part of the financial statements
for the year ended 31 March 2022

Company Overview:

Birlasoft Computer Corporation, USA is a Company incorporated in California on January 21, 1997. The Company is a wholly owned subsidiary of Birlasoft Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Customer Relationship Management, Supply Chain Management, Business Intelligence, Business Integration, Human Resource Management, Infrastructure Management Services and Strategic Sourcing.

1. Significant Accounting Policies:

1.1 Basis for preparation of 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 the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements are presented in US Dollar ("USD"), 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.

Use of estimates

The preparation of 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

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 productivity. 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.

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 realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised 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 atleast 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.

Liability

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.

1.3 Revenue recognition:

The Entity 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 entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.

- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the entity 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.

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 entity 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 entity 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 entity disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgements in revenue recognition

The entity's contracts with customers could include promises to transfer multiple products and services to a customer. The entity assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The entity 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 entity uses judgement to determine an appropriate standalone selling price for a performance obligation. The entity 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 entity uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The entity exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The entity 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.

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 other 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 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.

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

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Type of asset	Useful life Number of years
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 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 Company assesses at each date of Balance Sheet whether a financial asset or a Company 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. 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 recognized as an impairment gain or loss in Statement of Profit or Loss.

b. Non- financial assets

Property, plant and equipment and intangible assets

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

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

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

1.9 Leases

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

The impact of adoption of this accounting standard is significant.

At the inception of contract the entity assesses wheather 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:

- Obtains substantially all the economic benefits from using the asset and
- Direct the use of asset

a. As a lessee

The entity recognises the right of use of asset and right of use of liability at the commencement date of lease. The right of use of asset is initially measured at cost, which comprise of present value of future liabilty (lease rent payouts), any payment made at or before commencement date any inital 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 liabilty 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 entity 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.

The entity presents its right of use of assets in property plant and euipments and lease liabilties in financial liabilities in the statement of financial position.

b. Extension and termination of lease

The entity 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 entity is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the entity is reasonably certain not to exercise that option. In assessing whether the entity 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 entity to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The entity revises the lease term if there is a change in the non-cancellable period of a lease.

c. Short term leases and low value assets

The entity 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 entity 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 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 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 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.

1.11 Foreign currency transactions

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.

1.12 Employee benefits

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 Company 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.

1.13 Income and deferred 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 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. 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 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.

1.14 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.

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.15 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group'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 Financial Instrument

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.

2A Property, plant and equipment

(Amount in USD)

	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2020	**172,867**	**45,000**	**13,825**	**231,692**
Additions	368	-	-	368
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2021	**173,235**	**45,000**	**13,825**	**232,060**
Accumulated depreciation as at 1 April 2020	**172,867**	**45,000**	**13,460**	**231,327**
Depreciation	8	-	162	170
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2021	**172,875**	**45,000**	**13,622**	**231,497**
Gross carrying amount as at 01 April 2021	**173,235**	**45,000**	**13,825**	**232,060**
Additions	78	-	-	78
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2022	**173,313**	**45,000**	**13,825**	**232,138**
Accumulated depreciation as at 01 April 2021	**172,875**	**45,000**	**13,622**	**231,497**
Depreciation	157	-	162	319
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2022	**173,032**	**45,000**	**13,784**	**231,816**
Carrying amount as at 31 March 2021	**360**	**-**	**203**	**563**
Carrying amount as at 31 March 2022	**281**	**-**	**41**	**322**

2B Other intangible assets

(Amount in USD)

	Internally Generated	Total
	Product Development Cost	
Gross carrying amount as at 1 April 2020	**37,233**	**37,233**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2021	**37,233**	**37,233**
Accumulated depreciation as at 1 April 2020	**37,233**	**37,233**
Amortisation	-	-
Disposal	-	-
Accumulated amortisation as at 31 March 2021	**37,233**	**37,233**
Gross carrying amount as at 01 April 2021	**37,233**	**37,233**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2022	**37,233**	**37,233**
Accumulated amortisation as at 01 April 2021	**37,233**	**37,233**
Amortisation	-	-
Disposal	-	-
Accumulated amortisation as at 31 March 2022	**37,233**	**37,233**
Carrying amount as at 31 March 2021	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**

3 Non-Current investments

(Amount in USD)

	31 March 2022	31 March 2021
Trade Investments (Unquoted)		
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft Technologies Canada Corporation		
1 (Previous year 1) common share of CAD 1 each	1	1
	1	**1**

4 Deferred tax assets (net)

(Amount in USD)

	31 March 2022	31 March 2021
Deferred tax assets		
-Provision for doubtful debts and advances	33,237	29,779
-Provision for Compensated Absences	99,247	168,570
-Accrued Payroll	1,405	5,955
-Subcontractor payable	-	186
-Accrued expenses	6,149	10,620
-Others (mainly includes employee related provision)	166,544	229,513
-Commission and Bonus Payable	-	2,261
	306,582	**446,884**
Deferred tax liabilities		
-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	72	118
-Provision for doubtful debts	25,319	22,343
	25,391	**22,461**
Net deferred tax asset	**281,191**	**424,423**

5 Trade receivables

(Amount in USD)

	31 March 2022	31 March 2021
Trade Receivables considered good	15,443,789	15,593,445
Trade Receivables - credit impaired	35,406	35,406
	15,479,195	**15,628,851**
Less: Allowances for bad and doubtful trade receivables	35,406	35,406
	15,443,789	**15,593,445**

6 Cash and bank balances

(Amount in USD)

	31 March 2022	31 March 2021
Cash and cash equivalents		
- Cheques in hand	1,104,023	35,677
Balances with banks		
- In current accounts	3,076,905	2,875,397
	4,180,928	**2,911,074**

7 Other current financial assets

(Amount in USD)

	31 March 2022	31 March 2021
Other receivables from Related Parties	54,684	-
	54,684	**-**

8 Other current assets

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Contract assets -from fixed price contracts	1,962,704	-
Advance to suppliers	1,406	1,842
Employee advances	210	154
Others	12,761	13,999
	1,977,081	**15,995**

9 Equity share capital

(Amount in USD)

	31 March 2022	31 March 2021
Authorised:		
1,000,000 shares common stock		
Issued subscribed and fully paid up:		
204,082 (Previous year : 204,082) shares of common stock fully paid up	110,000	110,000
	110,000	**110,000**

10 Provisions - non-current

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	-	786,278
	-	**786,278**

11 Trade payables

(Amount in USD)

	31 March 2022	31 March 2021
Total outstanding dues of creditors	7,317,325	5,083,137
	7,317,325	**5,083,137**

12 Other current financial liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Accrued employee costs	1,123,655	1,392,843
Other payables to related party	80,126	180,462
	1,203,781	**1,573,305**

13 Other current liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Unearned revenue	-	404,991
Advances from customers	7,183	102,428
Statutory remittances	394,630	937,885
	401,813	**1,445,304**

14 Provisions - current

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	458,476	116,860
	458,476	**116,860**

15 Revenue from operations

(Amount in USD)

	31 March 2022	31 March 2021
Software services	41,698,176	36,646,747
	41,698,176	**36,646,747**

16 Other income

(Amount in USD)

	31 March 2022	31 March 2021
Interest income	-	11
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	-	78,777
	-	**78,788**

17 Employee benefits expense

(Amount in USD)

	31 March 2022	31 March 2021
Salaries, wages and incentives	15,540,924	16,693,292
Share based compensation to employees	101,527	81,170
Staff welfare expenses	26,661	2,854
	15,669,112	**16,777,316**

18 Finance costs

(Amount in USD)

	31 March 2022	31 March 2021
Other Interest expense	14	120
	14	**120**

19 Other expenses

(Amount in USD)

	31 March 2022	31 March 2021
Travel and overseas expenses (net)	360,436	246,531
Transport and conveyance (net)	-	7,550
Cost of service delivery (net)	22,227,949	18,806,472
Cost of professional sub-contracting (net)	1,535,206	1,325,008
Recruitment and training expenses	845	5,843
Rent	753	-
Insurance	811	-
Rates and taxes	5,708	749
Communication expenses (net)	76,400	86,592
Legal and professional fees	112,321	146,469
Marketing expenses	-	2,166
Printing & stationery	436	-
Foreign exchange loss (net)	(23,879)	116
Bad debts written off	-	16,997
Provision for doubtful debts and advances (net)	-	30,094
Miscellaneous expenses (net)	86,932	10,996
	24,383,918	**20,685,583**

Note

Certain expenses are net of recoveries/reimbursements from customers.

20 Related party transactions:

A. Relationship with parent, other subsidiaries and fellow subsidiaries

Relationship	Name of related party
Holding Company	Birlasoft Limited, India
Subsidiary Companies	Birlasoft Technologies Canada Corporation
Fellow Subsidiary Companies	Birlasoft Solutions Inc.
	Birlasoft Solutions France
	Birlasoft Solutions ME FZE
	Birlasoft Solutions Ltda.
	Birlasoft Consulting Inc.
	Birlasoft Solutions GmbH
	Birlasoft Solutions Limited (UK)
	Birlasoft (UK) Limited
	Birlasoft Inc.
	Birlasoft Solutions Mexico S.A. DE C.V.

B. Transactions with related parties

(Amount in USD)

Sr.	Name of the related party	FY 2021-22		FY 2020-21	
		Amount of transactions 2021-22	Balance as on 31 March 2022	Amount of transactions 2020-21	Balance as on 31 March 2021
1	**Birlasoft Limited, India**				
	Advance given (net)	(20,789)	(52,139)	13,008	(39,554)
	Reimbursement of expenses (including share based payment expense)	(116,210)		(21,231)	
	Software service charges	14,789,961	(2,127,656)	12,893,953	(1,852,023)
	Sale of software services	17,266	17,266	-	-
2	**Birlasoft Technologies Canada Corporation**				
	Software service charges	303,072	(153,288)	143,666	(52,914)
	Sale of software services	384,737	241,842	477,493	30,832
	Investments	-	1	-	1
3	**Birlasoft Solutions Inc.**				
	Sale of software services	7,995,983	7,996,296	8,629,405	10,798,140
	Software service charges	4,642,933	(2,926,095)	3,949,567	(1,415,326)
	Advance given (net)	170,922	54,684	(172,947)	(79,373)
	Reimbursement of expenses	10,183		18,409	
4	**Birlasoft Solutions France**				
	Software service charges	31,878	2,295	152,855	(12,158)
5	**Birlasoft Consulting Inc.**				
	Sale of software services	3,108	3,108	-	-
	Software service charges	677,113	(398,542)	1,261,404	(1,465,043)
	Advance given (net)	-	-	(38,718)	(57,123)
6	**Birlasoft Solutions GmbH**				
	Sale of software services	5	107,086	6,819	107,085
	Software service charges	125,067	(56,279)	27,117	(26,306)
7	**Birlasoft Solutions Limited (UK)**				
	Advance given (net)	-	-	(31,100)	-
	Software service charges	1,153,374	(801,472)	224,487	(61,857)
	Sale of software services	339,244	339,244	-	-
8	**Birlasoft (UK) Limited**				
	Software service charges	96,941	-	-	-
9	**Birlasoft Inc.**				
	Software service charges	699,260	(533,602)	113,440	(13,478)
	Sale of software services	535,815	352,552	366,478	41,076
	Reimbursement of expenses	(120,936)	(27,987)	-	(4,404)
10	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Loan given /(repayment)	-	-	(771)	-
	Interest Income	-		9	
	Software service charges	28,837	(32,650)	-	-
	Sale of software services	117,439	117,439	57,294	57,294

21 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2022 (31st March 2021 - Nil).

22 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors of
Birlasoft Computer Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Birlasoft Inc.

Registered Office: : 399, Thornall Street, 8th Floor, Edison, New Jersey 08837, USA.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	2021-22 USD (Million)	2020-21 USD (Million)
Total Income	219.43	140.25
Net Profit / (Loss) for the year	13.11	7.60

Operations

During the year under review, total income of the Company increased by 56.46% which resulting in net profit of USD 13.11 million.

Board of Directors

During the year under review, there was no change in the composition of the Board of Directors of the Company. Mrs. Amita Birla, Mr. Chandrakant Birla, Ms. Nandita Gurjar, Mr. S. S. Kejriwal, Mr. P. C. Agarwala and Ms. Anindita Chowdhury are Directors of the Company.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent Company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors of
Birlasoft Inc.

New Jersey
May 23, 2022

Amita Birla
Director

Balance Sheet

as at 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2A	42,620	81,684
Right-of-use assets	2B	-	166,451
Capital work-in-progress		-	336
Financial assets			
Investments	3	8,341,264	8,341,264
Loans	4	-	10,200,000
Other financial assets	5	71,930	71,930
Income tax assets (net)		1,254,307	411,479
Deferred tax assets (net)	6	3,592,427	3,013,745
Other non-current assets	7	140,547	-
		13,443,095	**22,286,889**
Current assets			
Financial assets			
Investments	8	9,500,000	-
Trade receivables			
Billed	9	27,437,522	10,776,292
Unbilled		11,548,559	10,149,428
Cash and cash equivalents	10	3,152,734	7,522,763
Loans	11	-	225,952
Other current assets	12	14,049,866	8,209,611
		65,688,681	**36,884,046**
TOTAL ASSETS		**79,131,776**	**59,170,935**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	500,000	500,000
Other equity		58,471,546	45,357,702
Total equity		**58,971,546**	**45,857,702**
Liabilities			
Non-current liabilities			
Provisions	14	-	1,820,870
		-	**1,820,870**

Balance Sheet (continued)
as at 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
Current liabilities			
Financial liabilities			
Trade payables	15	10,456,188	1,429,639
Lease liabilities	16	-	208,435
Other financial liabilities	17	3,051,270	2,967,082
Other current liabilities	18	5,249,744	6,319,195
Provisions	19	1,403,028	568,012
Income tax liabilities (net)	-	-	
		20,160,230	**11,492,363**
TOTAL EQUITY AND LIABILITIES		**79,131,776**	**59,170,935**

Significant accounting policies 1

Notes referred to above form an integral part of the consolidated financial statements 2-27

For and on behalf of the Board of Directors of
Birlasoft Inc.

New Jersey
May 23, 2022

Amita Birla
Director

Statement of Profit and Loss
for the year ended 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
Revenue from operations	20	219,236,456	139,949,856
Other income (net)	21	195,126	297,096
Total income		**219,431,582**	**140,246,952**
Expenses			
Employee benefits expense	22	51,649,896	48,061,923
Finance costs	23	146,741	57,089
Depreciation and amortization expense	2	210,278	259,755
Other expenses	24	149,235,576	82,922,896
Total expenses		**201,242,491**	**131,301,663**
Profit before tax		**18,189,091**	**8,945,289**
Tax expense			
Current tax		5,653,929	2,462,925
Deferred tax (benefit)/charge		(578,682)	(1,120,326)
Total tax expense		**5,075,247**	**1,342,599**
Profit for the year		**13,113,844**	**7,602,690**

Significant accounting policies 1

Notes referred to above form an integral part of the consolidated financial statements 2-27

For and on behalf of the Board of Directors of
Birlasoft Inc.

New Jersey
May 23, 2022

Amita Birla
Director

Statement of changes in equity
for the year ended 31 March 2022

(Amount in USD)

A	Equity share capital	Amount
	Balance as at 1 April 2020	**500,000**
	Changes in equity share capital during 2020-21	-
	Balance as at 31 March 2021	**500,000**
	Changes in equity share capital during 2021-22	-
	Balance as at 31 March 2022	**500,000**

B Other equity

Particulars	Retained earnings	Total
Balance as on 01 April 2020	**37,755,012**	**37,755,012**
Profit for the year	7,602,690	7,602,690
Balance as on 31 March 2021	**45,357,702**	**45,357,702**
Profit for the year	13,113,844	13,113,844
Balance as on 31 March 2022	**58,471,546**	**58,471,546**

For and on behalf of the Board of Directors of
Birlasoft Inc.

New Jersey
May 23, 2022

Amita Birla
Director

Statement of Cash Flows
for the year ended 31 March 2022

(Amount in USD)

PARTICULARS	31 March 2022	31 March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	**13,113,844**	**7,602,690**
Adjustments for		
Income tax expense	5,075,247	1,342,599
Depreciation / Amortization	210,278	259,755
Interest expense	146,741	57,089
Interest income	(192,500)	(272,386)
Gain on sale / redemption of mutual funds	(844)	-
Provision for doubtful debts and advances (net)	-	(8,888)
Bad debts written off	-	25,566
Unrealised foreign exchange loss/(gain)	(90,432)	-
Operating Profit before working capital changes	**18,262,334**	**9,006,425**
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(18,060,308)	(873,316)
Loans, other financials assets and other assets	(5,980,802)	2,065,127
Trade Payables	9,116,928	1,122,850
Other financial liabilities, other liabilities and provisions	(1,971,117)	(526,342)
Cash generated from operations	**1,367,035**	**10,794,744**
Income taxes paid	(6,496,757)	(5,484,788)
Net cash generated from operating activities (A)	**(5,129,722)**	**5,309,956**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(4,427)	(336)
Loan (given to)/repaid by related parties	10,425,952	(10,425,952)
Purchase of investements	(32,600,000)	-
Sale of investments carried at fair value through profit and loss (net)	23,100,844	-
Interest received	192,500	272,386
Net cash used in investing activities (B)	**1,114,869**	**(10,153,902)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(216,243)	(232,219)
Interest and finance charges paid	(138,933)	(30,303)
Net cash used in financing activities (C)	**(355,176)**	**(262,522)**
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**(4,370,029)**	**(5,106,468)**
Cash and cash equivalents at end of the year (Refer note 1 below)	3,152,734	7,522,763
Cash and cash equivalents at beginning of the year (Refer note 1 below)	7,522,763	12,629,231
Cash surplus / (deficit) for the year	**(4,370,029)**	**(5,106,468)**

Statement of Cash Flows (continued)
for the year ended 31 March 2022

(Amount in USD)

Note 1 :

Cash and cash equivalents include:

Balance with banks		
- In current accounts	3,152,734	7,522,763
Total Cash and cash equivalents	**3,152,734**	**7,522,763**

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.

For and on behalf of the Board of Directors of
Birlasoft Inc.

New Jersey
May 23, 2022

Amita Birla
Director

Notes forming part of the financial statements
for the year ended 31 March 2022

Company Overview:

Birlasoft Inc. is a company incorporated in the state of Delaware in March 1995. The Company is a wholly owned subsidiary of Birlasoft Limited, India.

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.

1. Significant Accounting Policies:

1.1 Basis for preparation of 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 the Companies (Indian Accounting Standards) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis, accounting for share based payments, defined benefit obligations, purchase consideration in business combinations and certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

1.2 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange of those goods or services.

Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

Revenue on time and material contracts are recognised as the related services are performed and revenue from the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed price contracts where the performance obligations are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (Advance Billing)

For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. In arrangements for engineering services and the sale of its related licenses and products, the Company has applied the guidance in Ind AS 115, ‘Revenue from contract with customer’, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

1.3 Current-non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. It is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised 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 atleast 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.

Liability

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.

1.4 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 other 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. 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 Company intends to and has sufficient resources to complete development and to use 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 fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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

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

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

1.8 Impairment

a. Financial assets

The Company assesses at each date of Balance Sheet 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. 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 recognized as an impairment gain or loss in Statement of Profit or Loss.

b. Non- financial assets

Property, plant and equipment and intangible assets

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

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

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

1.9 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 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. 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. 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.

1.10 Leases

The Group has primarily leased rental offices premises.

At the inception of contract the Group assesses wheather 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 :

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

1. As a lessee

The Group recognises the right of use of asset and right of use of liability at the commencement date of lease. The right of use of asset is initially measured at cost , which comprise of present value of future liabilty (lease rent payouts), any payment made at or before commencement date any inital 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 liabilty 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. The Group presents its right of use of assets in property plant and euipments and lease liabilties in financial liabilities in the statement of financial position.

2. 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.

3. 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.

4. Impairment testing for right of use of assets

Right of use of assets are tested for are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss ,if any ,is recognised in statement of profit and loss.

1.11 Earnings per share

Basic earnings per share are computed by dividing the 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 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.

1.12 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items 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.

1.13 Employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise 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 Company 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.

1.14 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.

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.15 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.

1.16 Financial Instrument

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.

c. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value of financial instruments

The Company uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options (ESOP) , where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realized.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

Fair value measurements

The Company measures financial instruments, such as, derivatives and investments in mutual funds at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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 Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The team comprises of the head of the treasury operation and chief finance officer.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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.

1.17 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group'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.

1.18 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 productivity. 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. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and when ever 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.

c. Income and deferred tax

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2A Property, plant and equipment

(Amount in USD)

	Computers	Furniture and Fixtures	Office Equipment	Total
Gross carrying amount as at 1 April 2020	**372,412**	**259,468**	**43,365**	**675,245**
Additions	-	-	-	-
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2021	**372,412**	**259,468**	**43,365**	**675,245**
Accumulated depreciation as at 1 April 2020	**291,052**	**213,706**	**28,899**	**533,657**
Depreciation	42,667	12,952	4,285	59,904
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2021	**333,719**	**226,658**	**33,184**	**593,561**
Gross carrying amount as at 1 April 2021	**372,412**	**259,468**	**43,365**	**675,245**
Additions	4,763	-	-	4,763
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2022	**377,175**	**259,468**	**43,365**	**680,008**
Accumulated depreciation as at 1 April 2021	**333,719**	**226,658**	**33,184**	**593,561**
Depreciation	26,763	12,951	4,113	43,827
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2022	**360,482**	**239,609**	**37,297**	**637,388**
Carrying amount as at 31 March 2021	**38,693**	**32,810**	**10,181**	**81,684**
Carrying amount as at 31 March 2022	**16,693**	**19,859**	**6,068**	**42,620**

(Amount in USD)

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 1 April 2020	**565,805**	**565,805**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2021	**565,805**	**565,805**
Accumulated depreciation as at 01 April 2021	**199,503**	**199,503**
Depreciation	199,851	199,851
Disposal	-	-
Accumulated depreciation as at 31 March 2021	**399,354**	**399,354**
Gross carrying amount as at 1 April 2021	**565,805**	**565,805**
Additions	-	-
Disposal	565,805	565,805
Gross carrying amount as at 31 March 2022	**-**	**-**
Accumulated depreciation as at 01 April 2021	**399,354**	**399,354**
Depreciation	166,451	166,451
Disposal	565,805	565,805
Accumulated depreciation as at 31 March 2022	**-**	**-**
Carrying amount as at 31 March 2021	**166,451**	**166,451**
Carrying amount as at 31 March 2022	**-**	**-**

2C Other intangible assets

	Other than Internally Generated Software	Total
Gross carrying amount as at 1 April 2020	**629,866**	**629,866**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2021	**629,866**	**629,866**
Accumulated depreciation as at 1 April 2020	**629,866**	**629,866**
Depreciation	-	
Disposal	-	-
Accumulated depreciation as at 31 March 2021	**629,866**	**629,866**
Gross carrying amount as at 1 April 2021	**629,866**	**629,866**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2022	**629,866**	**629,866**
Accumulated depreciation as at 1 April 2021	**629,866**	**629,866**
Depreciation	-	
Disposal	-	-
Accumulated depreciation as at 31 March 2022	**629,866**	**629,866**
Carrying amount as at 31 March 2021	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**

3 **Non-Current investments**

(Amount in USD)

	31 March 2022	31 March 2021
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft UK Ltd	278,780	278,780
(150,000 (Previous year 150,000) Equity shares of face value £ 1 each fully paid up)		
Enablepath LLC	8,062,484	8,062,484
(100 (Previous year 100) Class A voting common shares with no par value fully paid up)		
	8,341,264	**8,341,264**

4 **Loans**

(Amount in USD)

	31 March 2022	31 March 2021
Loans Receivable from related parties - Considered good - Unsecured		
-Loan to Birlasoft Solutions Inc.	-	8,000,000
-Loan to Birlasoft Solutions Limited (UK)	-	2,200,000
	-	**10,200,000**

5 **Other Financial assets**

(Amount in USD)

	31 March 2022	31 March 2021
Security deposits	71,930	71,930
	71,930	**71,930**

6 **Deferred tax assets (net)**

(Amount in USD)

	31 March 2022	31 March 2021
Deferred tax assets		
-Provision for compensated absences	382,850	651,271
-Accrued expenses	-	32,809
-Payable to subcontractor	-	83,638
-Lease liabilities	-	58,636
-VPI	59,018	-
-Provision for expenses	25,125	-
-Retention bonus	160,959	-
-Others	3,014,419	2,319,001
	3,642,371	**3,145,355**
Deferred tax liabilities		
-Provision for depreciation	12,057	21,221
-Interest payable	37,887	63,564
-Right Of Use Assets	-	46,825
	49,944	**131,610**
Net deferred tax asset	**3,592,427**	**3,013,745**

7 **Other non-current assets**

(Amount in USD)

	31 March 2022	31 March 2021
Contract Fulfillment Cost	140,547	-
	140,547	**-**

8 **Current investments**

(Amount in USD)

	31 March 2022	31 March 2021
Investments in Mutual funds measured at fair value through profit or loss (quoted)		
1,000,000 units (Previous year Nil units) HSBC Mutual Fund	9,500,000	-
	9,500,000	**-**

9 **Trade receivables**

(Amount in USD)

	31 March 2022	31 March 2021
Trade Receivables considered good - Unsecured	27,437,522	10,776,292
Trade Receivables - credit impaired	-	-
	27,437,522	**10,776,292**
Less: Allowances for bad and doubtful trade receivables	-	-
	27,437,522	**10,776,292**

10 **Cash and bank balances**

(Amount in USD)

	31 March 2022	31 March 2021
Balances with banks		
- In current accounts	3,152,734	7,522,763
	3,152,734	**7,522,763**

11 **Loans**

(Amount in USD)

	31 March 2022	31 March 2021
Loans Receivable from related parties - Considered good - Unsecured		
-Loan to Birlasoft Solutions Inc	-	221,181
-Loan to Birlasoft Solutions Ltd (UK)	-	4,771
	-	**225,952**

12 **Other current assets**

(Amount in USD)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Employee advances	129,929	10,899
Advance to suppliers	412,473	279,331
Contract assets -from fixed price contracts	5,444,666	-
Prepaid expenses	294,946	432,938
Contract Fulfillment Cost	151,156	-
Dues to Related Parties	7,616,696	7,486,443
	14,049,866	**8,209,611**

13 **Equity share capital**

(Amount in USD)

	31 March 2022	31 March 2021
Authorised:		
20,000,000 shares common stock		
Issued subscribed and fully paid up:		
10,000,000(previous year : 10,000,000) shares of common stock fully paid up ; $ 0.05 Par Value	500,000	500,000
	500,000	**500,000**

14 Non Current Provisions

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	-	1,820,870
	-	**1,820,870**

15 Trade payables

(Amount in USD)

	31 March 2022	31 March 2021
Trade payables	10,456,188	2,018,597
	10,456,188	**2,018,597**

16 Lease liabilities - current

(Amount in USD)

	31 March 2022	31 March 2021
Lease liabilities	-	208,435
	-	**208,435**

17 Other current financial liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Accrued employee costs	3,051,270	2,332,591
Payable to related party	-	45,533
	3,051,270	**2,378,124**

18 Other current liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Unearned revenue	3,912,629	3,854,645
Advances from customers	260,227	597,932
Statutory remittances	1,076,888	1,866,618
	5,249,744	**6,319,195**

19 Provisions - current

(Amount in USD)

	31 March 2022	31 March 2021
Provision for employee benefits		
- Compensated Absences	1,403,028	568,012
	1,403,028	**568,012**

20 Revenue from operations

(Amount in USD)

	31 March 2022	31 March 2021
Software services	219,236,456	139,949,856
	219,236,456	**139,949,856**

21 Other income

(Amount in USD)

	31 March 2022	31 March 2021
Interest income	192,500	272,386
Provision for doubtful debts (net)	-	8,888
Gain on sale / redemption of mutual funds (net)	844	-
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	1,782	15,822
	195,126	**297,096**

22 Employee benefits expense

(Amount in USD)

	31 March 2022	31 March 2021
Salaries, wages and incentives	51,154,241	47,742,990
Share based compensation to employees	363,930	265,210
Staff welfare expenses	131,725	53,723
	51,649,896	**48,061,923**

23 Finance costs

(Amount in USD)

	31 March 2022	31 March 2021
Interest expense	138,933	30,303
Interest on lease liabilities	7,808	26,786
	146,741	**57,089**

24 Other expenses

(Amount in USD)

	31 March 2022	31 March 2021
Travel and overseas expenses (net)	1,712,239	809,042
Transport and conveyance (net)	-	35,364
Cost of service delivery (net)	95,364,405	58,020,218
Cost of professional sub-contracting (net)	50,793,254	22,454,582
Recruitment and training expenses	280,916	165,784
Rent	32,733	14,280
Repairs and maintenance	42,627	62,825
Insurance	1,365	31,051
Rates and taxes	281,090	236,952
Communication expenses (net)	39,760	136,152
Legal and professional fees	441,556	762,758
Marketing expenses	216,149	1,667
Bad debts written off	-	25,566
Foreign exchange loss (net)	(117,385)	12,887
Miscellaneous expenses (net)	146,867	153,768
	149,235,576	**82,922,896**

Note

Certain expenses are net of recoveries/reimbursements from customers.

25 Related party transactions:

A. Relationship with parent and other subsidiaries

Relationship	Name of related party
Holding Company	Birlasoft Limited, India
Subsidiary Companies	Birlasoft (UK) Limited
	Birlasoft GmBH
	Enablepath, LLC
Fellow Subsidiary Companies	Birlasoft Solutions Inc.
	Birlasoft Technologies Canada Corporation
	Birlasoft Computer Corporation, USA
	Birlasoft Consulting Inc. USA
	Birlasoft Solutions ME FZE
	Birlasoft Solutions Limited, UK
	Birlasoft Solutions France

B. Transactions with related parties

(Amount in USD)

<table>
<tr><th rowspan="2">Sr.</th><th rowspan="2">Name of the related party</th><th colspan="2">FY 2021-22</th><th colspan="2">FY 2020-21</th></tr>
<tr><th>Amount of transactions 2021-22</th><th>Balance as on 31 March 2022</th><th>Amount of transactions 2020-21</th><th>Balance as on 31 March 2021</th></tr>
<tr><td>1</td><td colspan="5">Birlasoft Limited, India</td></tr>
<tr><td></td><td>Software service charges</td><td>87,043,613</td><td>(6,881)</td><td>52,668,925</td><td>2,356,961</td></tr>
<tr><td></td><td>Advance received (net)</td><td>(69,322)</td><td rowspan="2">(135,623)</td><td>(4,000)</td><td rowspan="2">(294,348)</td></tr>
<tr><td></td><td>Reimbursment of expenses (including share based payment expense)</td><td>(396,937)</td><td>(18,489)</td></tr>
<tr><td>2</td><td colspan="5">Birlasoft (UK) Limited</td></tr>
<tr><td></td><td>Cost Transfers</td><td>-</td><td>-</td><td>14,500</td><td>-</td></tr>
<tr><td></td><td>Reimbursment of expenses</td><td>(1,750)</td><td>-</td><td>(16,307)</td><td>-</td></tr>
<tr><td></td><td>Sale of software services</td><td>88,642</td><td>88,642</td><td>13,566</td><td>-</td></tr>
<tr><td></td><td>Software service charges</td><td>517,509</td><td>-</td><td>646,728</td><td>(69,250)</td></tr>
<tr><td>3</td><td colspan="5">Enablepath, LLC</td></tr>
<tr><td></td><td>Reimbursment of expenses</td><td>-</td><td rowspan="2">7,486,443</td><td>(508)</td><td rowspan="2">7,486,443</td></tr>
<tr><td></td><td>Advance received (net)</td><td>-</td><td>508</td></tr>
<tr><td>4</td><td colspan="5">Birlasoft Solutions Inc.</td></tr>
<tr><td></td><td>Reimbursment of expenses</td><td>268,388</td><td rowspan="2">98,478</td><td>-</td><td rowspan="2">278,218</td></tr>
<tr><td></td><td>Advance received (net)</td><td>738,060</td><td>39,896</td></tr>
<tr><td></td><td>Software service charges</td><td>6,608,962</td><td>(4,984,150)</td><td>2,839,703</td><td>(426,099)</td></tr>
<tr><td></td><td>Sale of software services</td><td>2,998,897</td><td>2,571,813</td><td>857,168</td><td>857,168</td></tr>
<tr><td></td><td>Loans Given/ (repayment)</td><td>(8,000,000)</td><td rowspan="2">-</td><td>8,000,000</td><td rowspan="2">8,221,181</td></tr>
<tr><td></td><td>Interest Income</td><td>131,541</td><td>221,181</td></tr>
<tr><td>5</td><td colspan="5">Birlasoft Technologies Canada Corporation</td></tr>
<tr><td></td><td>Software service charges</td><td>1,047,134</td><td>(693,922)</td><td>489,419</td><td>(430,668)</td></tr>
<tr><td></td><td>Sale of software services</td><td>164,747</td><td>112,460</td><td>69,974</td><td>69,974</td></tr>
<tr><td>6</td><td colspan="5">Birlasoft Computer Corporation, USA</td></tr>
<tr><td></td><td>Reimbursement of expenses</td><td>120,936</td><td>27,987</td><td>-</td><td>4,404</td></tr>
<tr><td></td><td>Sale of software services</td><td>699,260</td><td>533,602</td><td>113,440</td><td>13,478</td></tr>
<tr><td></td><td>Software service charges</td><td>535,815</td><td>(352,552)</td><td>366,478</td><td>(41,076)</td></tr>
<tr><td>7</td><td colspan="5">Birlasoft Consulting Inc. USA</td></tr>
<tr><td></td><td>Reimbursment of expenses</td><td>57,281</td><td rowspan="2">7,869</td><td>-</td><td rowspan="2">(35,932)</td></tr>
<tr><td></td><td>Advance received (net)</td><td>143,024</td><td>(275,662)</td></tr>
<tr><td></td><td>Sale of software services</td><td>530,258</td><td>350,745</td><td>55,596</td><td>21,408</td></tr>
<tr><td></td><td>Software service charges</td><td>656,518</td><td>(473,567)</td><td>405,593</td><td>62,176</td></tr>
<tr><td>8</td><td colspan="5">Birlasoft Solutions ME FZE (Australia Branch)</td></tr>
<tr><td></td><td>Software service charges</td><td>103,040</td><td>(194,323)</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Sale of software services</td><td>-</td><td>-</td><td>45</td><td>-</td></tr>
<tr><td>9</td><td colspan="5">Birlasoft Solutions Limited, UK</td></tr>
<tr><td></td><td>Software service charges</td><td>1,233,392</td><td>(969,784)</td><td>223,355</td><td>(68,734)</td></tr>
<tr><td></td><td>Sale of software services</td><td>601,578</td><td>601,578</td><td>262</td><td>-</td></tr>
<tr><td></td><td>Loans Given/ (repayment)</td><td>(2,200,000)</td><td rowspan="2">-</td><td>2,200,000</td><td rowspan="2">2,204,771</td></tr>
<tr><td></td><td>Interest Income</td><td>60,958</td><td>4,771</td></tr>
<tr><td>10</td><td colspan="5">Birlasoft Solutions France</td></tr>
<tr><td></td><td>Software service charges</td><td>54,364</td><td>(80,885)</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Advance received (net)</td><td>8,500</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Sale of software services</td><td>4,928</td><td>3,957</td><td>-</td><td>-</td></tr>
<tr><td>11</td><td colspan="5">Birlasoft Solutions Mexico S.A. DE C.V.</td></tr>
<tr><td></td><td>Sale of software services</td><td>2,228</td><td>2,228</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Software service charges</td><td>79,440</td><td>(90,176)</td><td>-</td><td>-</td></tr>
<tr><td>12</td><td colspan="5">Birlasoft Solutions GmbH</td></tr>
<tr><td></td><td>Software service charges</td><td>37,578</td><td>(37,578)</td><td>-</td><td>-</td></tr>
</table>

26 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as at 31 March 2022 (previous year 31 March 2021 - nil)

27 Previous period's figures have been regrouped / reclassified wherever necessary to conform with the current period's classification /disclosure.

For and on behalf of the Board of Directors of
Birlasoft Inc.

New Jersey
May 23, 2022

Amita Birla
Director

Enablepath, LLC

Registered Office: : 399, Thornall Street, 8th Floor, Edison, New Jersey 08837, USA.

Board's Report

Dear Members,

Your Company is pleased to present herewith the report on the operations together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	2021-22 USD (Million)	2020-21 USD (Million)
Total Income	-	-
Net Profit / (Loss) for the year	0.37	(0.37)

Operations

During the year, the Company did not generate any revenue.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of
Enablepath, LLC

New Jersey
May 23, 2022

Indu Nangia
Manager

Balance Sheet

as at 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2A	-	-
Right-of-use assets	2B	-	-
Goodwill	2B	747,666	1,122,014
Deferred tax assets (net)		773,524	773,524
		1,521,190	**1,895,538**
Current assets			
Financial assets			
Cash and cash equivalents	3	1,468	1,468
TOTAL ASSETS		**1,522,658**	**1,897,006**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	8,062,484	8,062,484
Other equity		(14,026,267)	(13,651,921)
Total equity		**(5,963,783)**	**(5,589,437)**
Liabilities			
Current liabilities			
Financial liabilities			
Other financial liabilities	5	7,486,441	7,486,443
		7,486,441	**7,486,443**
TOTAL EQUITY AND LIABILITIES		**1,522,658**	**1,897,006**

Significant accounting policies	1	
Notes referred to above form an integral part of the financial statements	2-7	

For and on behalf of
Enablepath, LLC.

Amita Birla
Authorized Signatory

New Jersey
May 23, 2022

Indu Nangia
Manager

New Jersey
May 23, 2022

Statement of Profit and Loss
for the year ended 31 March 2022

(Amount in USD)

	Note	31 March 2022	31 March 2021
Revenue from operations		-	-
Total income		-	-
Expenses			
Depreciation and amortization expense	2	374,346	374,346
Total expenses		374,346	374,346
Profit for the year		(374,346)	(374,346)

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-7

For and on behalf of
Enablepath, LLC.

Amita Birla
Authorized Signatory

New Jersey
May 23, 2022

Indu Nangia
Manager

New Jersey
May 23, 2022

Statement of Cash Flows
for the year ended 31 March 2022

(Amount in USD)

PARTICULARS	31 March 2022	31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	(374,346)	(374,346)
Adjustments for		
Depreciation / Amortization	374,346	374,346
Operating Profit before working capital changes	**-**	**-**
Net cash generated from operating activities	-	-
Net Increase/ (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at close of the year (Refer note 1 below)	1,468	1,468
Cash and cash equivalents at beginning of the year (Refer note 1 below)	1,468	1,468
Cash surplus / (deficit) for the year	-	-

Note 1 :

Cash and cash equivalents include:

- In current accounts	1,468	1,468
Total Cash and cash equivalents	1,468	1,468

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.

For and on behalf of
Enablepath, LLC.

Amita Birla
Authorized Signatory

New Jersey
May 23, 2022

Indu Nangia
Manager

New Jersey
May 23, 2022

Statement of Changes in Equity
for the year ended 31 March 2022

(Amount in USD)

A	Equity share capital		Amount
	Balance as at 01 April 2020		8,062,484
	Changes in equity share capital during 2020-21		-
	Balance as at 31 March 2021		8,062,484
	Changes in equity share capital during 2021-22		-
	Balance as at 31 March 2022		**8,062,484**
B	**Other equity**		
		Retained earnings	**Total equity**
	Balance as on 01 April 2020	**(13,277,575)**	**(13,277,575)**
	Profit for the year	(374,346)	(374,346)
	Balance as on 31 March 2021	**(13,651,921)**	**(13,651,921)**
	Profit for the year	(374,346)	(374,346)
	Balance as on 31 March 2022	**(14,026,267)**	**(14,026,267)**

For and on behalf of
Enablepath, LLC.

Amita Birla **Authorized Signatory**	Indu Nangia **Manager**
New Jersey May 23, 2022	New Jersey May 23, 2022

Notes forming part of the financial statements
for the year ended 31 March 2022

Group Overview

Enablepath, LLC is a subsidiary of Birlasoft Inc. and it is a step-down subsidiary of Birlasoft Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Customer Relationship Management, Supply Chain Management, Business Intelligence, Business Integration, Human Resource Management, Infrastructure Management Services and Strategic Sourcing.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financials statements.No audit opinion has been sought in respect of these financials statements.The accounts are prepared from the internally prepared management accounts of the Company.The same management accounts are audited in order for the group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of parent Company.Hence, no seperate audit report is given in respect of the Company.

1. Significant accounting policies

1.1 Basis for preparation of financial statements:

The 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 the Companies (Indian Accounting Standards) Rules as amended from time to time The financial statements are presented in US Dollar ("USD"), 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.

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 realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised 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 atleast 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.

Liability

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.

1.3 Revenue recognition:

The Entity 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 entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.

- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the entity 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.

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 entity 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 entity 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 entity disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgements in revenue recognition

The entity's contracts with customers could include promises to transfer multiple products and services to a customer. The entity assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The entity 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 entity uses judgement to determine an appropriate standalone selling price for a performance obligation. The entity 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 entity uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The entity exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The entity 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.

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 other exchange differences to finance costs.

1.5 Property 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. Assets under construction are disclosed as capital work-in-progress.

1.6 Intangible assets

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

1.7 Depreciation:

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 Number of years
Computers	4
Office Equipment	10
Furniture and fixtures	8

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.

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 years.

1.8 Leases

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

The Ministry of Corporate Affiairs (MCA) notified IND AS 116 , the new lease accounting standard on March 30, 2019 and came into force with effect from April 01, 2019. IND AS 116 has replaced the guidance in IND AS 17 "Leases". The effect of initially applying this standard is recognised at date of initial application (i.e. April 01, 2019). Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The entity has applied IND AS 116 using the modified retrospective approach as per C5(b) of the standard. Accordingly the entity has not restated the comparative information, i.e. comparative information continues to be reported under IND AS 17. Refer note 1.10 Significant accounting policy in the annual report of the company for the year ended March 31, 2019 for lease accounting policy as per IND AS 17.

The impact of adoption of this accounting standard is significant.

At the inception of contract the entity assesses wheather 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:

- Obtains substantially all the economic benefits from using the asset and

- Direct the use of asset

a. As a lessee

The entity recognises the right of use of asset and right of use of liability at the commencement date of lease. The right of use of asset is initially measured at cost, which comprise of present value of future liabilty (lease rent payouts), any payment made at or before commencement date any inital 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 liabilty 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 entity 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.

The entity presents its right of use of assets in property plant and euipments and lease liabilties in financial liabilities in the statement of financial position.

b. Extension and termination of lease

The entity 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 entity is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the entity is reasonably certain not to exercise that option. In assessing whether the entity 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 entity to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The entity revises the lease term if there is a change in the non-cancellable period of a lease.

c. Short term leases and low value assets

The entity 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 entity 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 are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss ,if any ,is recognised in statement of profit and loss.

1.9 Earnings per share

Basic earnings per share are computed by dividing the 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 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

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items 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.

1.11 Employee benefits

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 Company 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.

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 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. 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 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.

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.

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.14 Financial Instrument

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.

2A Property, plant and equipment

(Amount in USD)

	Computers	Furniture and Fixtures	Total
Gross carrying amount as at 1 April 2020	**95,010**	**44,477**	**139,486**
Other additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2021	**95,010**	**44,477**	**139,486**
Accumulated depreciation as at 1 April 2020	**95,010**	**44,477**	**139,486**
Depreciation	-	-	-
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2021	**95,010**	**44,477**	**139,486**
Gross carrying amount as at 1 April 2021	**95,010**	**44,477**	**139,486**
Other additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2022	**95,010**	**44,477**	**139,486**
Accumulated depreciation as at 1 April 2021	**95,010**	**44,477**	**139,486**
Depreciation	-	-	-
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2022	**95,010**	**44,477**	**139,486**
Carrying amount as at 31 March 2021	**-**	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**	**-**

2B Other intangible assets

(Amount in USD)

	Intangible Assets	Goodwill	Total
Gross carrying amount as at 1 April 2020	**3,390,000**	**3,740,951**	**7,130,951**
Other additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2021	**3,390,000**	**3,740,951**	**7,130,951**
Accumulated depreciation as at 1 April 2020	**3,390,000**	**2,244,591**	**5,634,591**
Depreciation	-	374,348	374,348
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2021	**3,390,000**	**2,618,939**	**6,008,939**
Gross carrying amount as at 1 April 2021	**3,390,000**	**3,740,951**	**7,130,951**
Other additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2022	**3,390,000**	**3,740,951**	**7,130,951**
Accumulated depreciation as at 1 April 2021	**3,390,000**	**2,618,939**	**6,008,939**
Depreciation	-	374,346	374,346
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2022	**3,390,000**	**2,993,285**	**6,383,285**
Carrying amount as at 31 March 2021	**-**	**1,122,012**	**1,122,012**
Carrying amount as at 31 March 2022	**-**	**747,666**	**747,666**

3 Cash and bank balances

(Amount in USD)

	31 March 2022	31 March 2021
Balances with banks		
- In current accounts	1,468	1,468
	1,468	**1,468**

4 Equity Share capital

(Amount in USD)

	31 March 2022	31 March 2021
Issued subscribed and fully paid up:		
100 (31 March 2021 : 100) Class A voting common shares with no par value fully paid up	8,062,484	8,062,484
	8,062,484	**8,062,484**

5 Other current financial liabilities

(Amount in USD)

	31 March 2022	31 March 2021
Other payables to related party	7,486,441	7,486,443
	7,486,441	**7,486,443**

6 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2022 (previous year 31 March 2021 - nil).

7 Related party transactions:

A. Relationship with parent and other subsidiaries

Relationship	Name of related party
Ultimate Holding Company	Birlasoft Limited, India
Holding Company	Birlasoft Inc., USA

B. Transactions with related parties

Sr.	Name of the related party	FY 2021-22		FY 2020-21	
		Amount of transactions 2021-22	Balance as on 31 March 2022	Amount of transactions 2020-21	Balance as on 31 March 2021
1	**Birlasoft Inc., USA**				
	Reimbursement of expenese	-	(7,486,443)	508	(7,486,443)
	Advance received (net)	-		(508)	

For and on behalf of
Enablepath LLC.

Amita Birla **Authorized Signatory**	Indu Nangia **Manager**
New Jersey May 23, 2022	New Jersey May 23, 2022

Birlasoft Technologies Canada Corporation

Registered Office: 8120-128 Street, Surrey BC V3W 1R1, Canada.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	**2021-22 CAD (Million)**	**2020-21 CAD (Million)**
Total Income	23.05	22.91
Net Profit / (Loss) for the period	1.87	1.15

Operations

During the year under review, total income of the Company has increased by 0.61% which resulted in net profit of CAD 1.87 million.

Board of Directors

During the year under review, Mr. Baljeet Chhazal resigned as a Director & President of the Company effective December 31, 2021 and Mr. Inder Raj Singh Ghai was appointed as the Director & President of the company effective February 1, 2022. Mr. Dharmander Kapoor, Ms. Indu Nangia and Mr. Inder Raj Singh Ghai are the current Directors of the Company.

Audit

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. However, such requirement is waived by shareholders by passing a resolution. Therefore, no audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Balance Sheet

as at 31 March 2022

(Amount in CAD)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Financial assets			
Loans	2	11,496,100	-
Other financial assets	3	135	136
Income tax assets (net)		90,723	499,335
Deferred tax assets (net)	4	13,609	-
		11,600,567	**499,471**
Current assets			
Financial assets			
Trade receivables			
Billed	5	6,208,727	4,229,156
Unbilled		1,373,356	1,736,179
Cash and cash equivalents	6	2,828,045	6,755,048
Loans	7	-	5,353,280
Other financial assets	8	1,089	1,089
Other current assets	9	266,455	403,631
		10,677,672	**18,478,383**
TOTAL ASSETS		**22,278,239**	**18,977,854**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	1	1
Other equity		18,479,777	16,608,519
Total equity		**18,479,778**	**16,608,520**
Liabilities			
Non-current liabilities			
Provisions	11	-	123,312
		-	**123,312**
Current liabilities			
Financial liabilities			
Trade payables	12	2,718,404	640,100
Other financial liabilities	13	301,638	417,025
Other current liabilities	14	482,472	897,035
Provisions	15	195,774	88,458
Income tax liabilities (net)		100,173	203,404
		3,798,461	**2,246,022**
TOTAL EQUITY AND LIABILITIES		**22,278,239**	**18,977,854**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-23

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Dharmander Kapoor
Director

New Jersey
May 23, 2022

Indu Nangia
Director

New Jersey
May 23, 2022

Statement of Profit and Loss
for the year ended 31 March 2022

(Amount in CAD)

	Note	31 March 2022	31 March 2021
Revenue from operations	16	22,889,654	22,723,163
Other income (net)	17	157,823	184,115
Total income		**23,047,477**	**22,907,278**
Expenses			
Employee benefits expense	18	5,407,251	5,012,325
Finance costs	19	-	229
Other expenses	20	14,976,316	16,343,599
Total expenses		**20,383,567**	**21,356,153**
Profit before tax		**2,663,910**	**1,551,125**
Tax expense			
Current tax		806,261	405,305
Deferred tax (benefit)/charge		(13,609)	-
Total tax expense		**792,652**	**405,305**
Profit for the year		**1,871,258**	**1,145,820**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-23

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Dharmander Kapoor
Director

New Jersey
May 23, 2022

Indu Nangia
Director

New Jersey
May 23, 2022

Statement of Cash Flows
for the year ended 31 March 2022

(Amount in CAD)

		31 March 2022	31 March 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	1,871,258	1,145,820
	Adjustments for		
	Income tax expense	792,652	405,305
	Interest income	(156,722)	(175,368)
	Provision for doubtful debts and advances (net)	119,234	8,444
	Bad debts written off	-	1,791
	Operating Profit before working capital changes	**2,626,422**	**1,385,992**
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	(1,735,982)	(1,140,501)
	Loans, other financials assets and other assets	137,177	(54,656)
	Trade Payables	2,078,304	849,685
	Other financial liabilities, other liabilities and provisions	(545,946)	(304,694)
	Cash generated from operations	**2,559,975**	**735,826**
	Income taxes paid	(500,880)	(205,711)
	Net cash generated from operating activities (A)	**2,059,095**	**530,115**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Repayment of loans given to Related Party	5,353,280	445,441
	Loans given to Related Party	(11,496,100)	-
	Interest received	156,722	175,368
	Net cash used in investing activities (B)	**(5,986,098)**	**620,809**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net cash used in financing activities (C)	**-**	**-**
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**(3,927,003)**	**1,150,924**
	Cash and cash equivalents at close of the year (Refer note 1 below)	2,828,045	6,755,048
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	6,755,048	5,604,124
	Cash surplus / (deficit) for the year	**(3,927,003)**	**1,150,924**

Note 1 :

	31 March 2022	31 March 2021
Cash and cash equivalents include:		
Cheques in hand	-	69,410
Balance with banks		
- In current accounts	2,028,045	6,685,638
- In deposit accounts (with original maturity of 3 months or less)	800,000	-
Total Cash and cash equivalents	**2,828,045**	**6,755,048**

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.

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Dharmander Kapoor
Director

New Jersey
May 23, 2022

Indu Nangia
Director

New Jersey
May 23, 2022

Statement of Changes in Equity
for the year ended 31 March 2022

(Amount in CAD)

A	Equity share capital	Amount
	Balance as at 1 April 2020	1
	Changes in equity share capital during 2020-21	-
	Balance as at 31 March 2021	1
	Changes in equity share capital during 2021-22	-
	Balance as at 31 March 2022	**1**

B Other equity

	Retained earnings	Total equity
Balance as on 01 April 2020	15,462,699	15,462,699
Profit for the year	1,145,820	1,145,820
Balance as on 31 March 2021	16,608,519	16,608,519
Profit for the year	1,871,258	1,871,258
Balance as on 31 March 2022	**18,479,777**	**18,479,777**

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Dharmander Kapoor
Director

New Jersey
May 23, 2022

Indu Nangia
Director

New Jersey
May 23, 2022

Notes forming part of the financial statements
for the year ended 31 March 2022

Company Overview:

Birlasoft Technologies Canada Corporation ("the Company") is a Company incorporated in British Columbia, Canada on September 7, 2007. The Company is a wholly owned subsidiary of Birlasoft Computer Corporation, USA . The ultimate holding company is Birlasoft Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Customer Relationship Management, Supply Chain Management, Business Intelligence, Business Integration, Human Resource Management, Infrastructure Management Services and Strategic Sourcing.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements have been 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 the Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements are presented in Canadian Dollars ("CAD") and are rounded off to nearest CAD.

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.

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 realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised 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 atleast 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.

Liability

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.

1.3 Revenue recognition:

The Entity 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 entity expects to receive in exchange for those products or services.

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

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 entity 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 entity 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 entity disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgements in revenue recognition

The entity's contracts with customers could include promises to transfer multiple products and services to a customer. The entity assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The entity 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 entity uses judgement to determine an appropriate standalone selling price for a performance obligation. The entity 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 entity uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The entity exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The entity 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.

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 other exchange differences to finance costs.

1.5 Impairment

a. Financial assets

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

b. Non- financial assets

i. Property, plant and equipment and intangible assets

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

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

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

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 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 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. 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. 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.

1.7 Leases

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

The Ministry of Corporate Affiairs (MCA) notified IND AS 116 , the new lease accounting standard on March 30, 2019 and came into force with effect from April 01, 2019. IND AS 116 has replaced the guidance in IND AS 17 "Leases". The effect of initially applying this standard is recognised at date of initial application (i.e. April 01, 2019). Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The entity has applied IND AS 116 using the modified retrospective approach as per C5(b) of the standard. Accordingly the entity has not restated the comparative information, i.e. comparative information continues to be reported under IND AS 17. Refer note 1.10

Significant accounting policy in the annual report of the company for the year ended March 31, 2019 for lease accounting policy as per IND AS 17.

The impact of adoption of this accounting standard is significant.

The entity has applied IND AS 116 using the modified retrospective approach as per C5(b) of the standard. Accordingly the entity has not restated the comparative information, i.e. comparative information continues to be reported under IND AS 17. Refer note 1.10 Significant accounting policy in the annual report of the company for the year ended March 31, 2019 for lease accounting policy as per IND AS 17.

The impact of adoption of this accounting standard is significant.

At the inception of contract the entity assesses wheather 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:

- Obtains substantially all the economic benefits from using the asset and

- Direct the use of asset

a. As a lessee

The entity recognises the right of use of asset and right of use of liability at the commencement date of lease. The right of use of asset is initially measured at cost, which comprise of present value of future liabilty (lease rent payouts), any payment made at or before commencement date any inital 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 liabilty 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 entity 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.

The entity presents its right of use of assets in property plant and euipments and lease liabilties in financial liabilities in the statement of financial position.

b. **Extension and termination of lease**

The entity 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 entity is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the entity is reasonably certain not to exercise that option. In assessing whether the entity 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 entity to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The entity revises the lease term if there is a change in the non-cancellable period of a lease.

c. **Short term leases and low value assets**

The entity 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 entity 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 are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss ,if any ,is recognised in statement of profit and loss.

1.8 Earnings per share

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

1.9 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items 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.

1.10 Employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise 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 Company 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.

1.11 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.

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.12 Financial Instrument

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.

(Amount in CAD)

		31 March 2022	31March2021
2	**Loans**		
	(Unsecured, considered good unless otherwise stated)		
	Loans Receivable from related parties		
	Birlasoft Solutions Limited	11,496,100	-
		11,496,100	**-**

(Amount in CAD)

		31 March 2022	31 March 2021
3	**Other Financial Assets**		
	(Unsecured, considered good unless otherwise stated)		
	Security Deposits	135	136
		135	**136**

(Amount in CAD)

		31 March 2022	31 March 2021
4	**Deferred Tax Assets**		
	R & D Credit	13,609	-
		13,609	**-**

(Amount in CAD)

		31 March 2022	31 March 2021
5	**Trade receivables**		
	(Unsecured)		
	Trade Receivables considered good	6,208,727	4,229,156
	Trade Receivables - credit impaired	136,694	17,460
		6,345,421	**4,246,616**
	Less: Allowances for bad and doubtful trade receivables	136,694	17,460
		6,208,727	**4,229,156**

(Amount in CAD)

		31 March 2022	31 March 2021
6	**Cash and bank balances**		
	Cash and cash equivalents		
	- Cheques in hand	-	69,410
	Balances with banks		
	- In current accounts	2,028,045	6,685,638
	- In deposit accounts (with original maturity of 3 months or less)	800,000	-
		2,828,045	**6,755,048**

(Amount in CAD)

		31 March 2022	31 March 2021
7	**Loans (Considered good - Unsecured)**		
	-Loan to Birlasoft Solutions Inc.	-	5,353,280
		-	**5,353,280**

(Amount in CAD)

		31 March 2022	31 March 2021
8	**Other current financial assets**		
	(Unsecured, considered good)		
	Security deposits	1,089	1,089
		1,089	**1,089**

(Amount in CAD)

		31 March 2022	31 March 2021
9	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Contract assets -from fixed price contracts	222,722	-
	Advance to suppliers	10,015	21,436
	Employee advances	15,597	5,366
	Balances with statutory authorities	9,650	375,689
	Prepaid expenses	1,140	1,140
	Other receivables from related party	7,331	-
		266,455	**403,631**

(Amount in CAD)

		31 March 2022	31 March 2021
10	**Equity Share capital**		
	Issued, subscribed and fully paid up:		
	100 (31 March 2021 : 100) Class A voting common shares with no par value fully paid up	1	1
		1	**1**

(Amount in CAD)

		31 March 2022	31 March 2021
11	**Provisions - non-current**		
	Provision for employee benefits		
	- Compensated Absences	-	123,312
		-	**123,312**

(Amount in CAD)

		31 March 2022	31 March 2021
12	**Trade payables**		
	Trade payables	2,718,404	640,100
		2,718,404	**640,100**

(Amount in CAD)

		31 March 2022	31 March 2021
13	**Other current financial liabilities**		
	Accrued employee costs	297,175	229,122
	Other payables to related party	4,463	187,903
		301,638	**417,025**

(Amount in CAD)

		31 March 2022	31 March 2021
14	**Other current liabilities**		
	Unearned revenue	117,785	211,495
	Advances from customers	571	1,07,732
	Statutory remittances	364,116	577,808
		482,472	**897,035**

(Amount in CAD)

		31 March 2022	31 March 2021
15	**Provisions - current**		
	Provision for employee benefits		
	- Compensated Absences	195,774	88,458
		195,774	**88,458**

(Amount in CAD)

		31 March 2022	31 March 2021
16	**Revenue from operations**		
	Software services	22,889,654	22,723,163
		22,889,654	**22,723,163**

(Amount in CAD)

		31 March 2022	31 March 2021
17	**Other income**		
	Interest income	156,722	175,368
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	1,101	8,747
		157,823	**184,115**

(Amount in CAD)

		31 March 2022	31 March 2021
18	**Employee benefits expense**		
	Salaries, wages and incentives	5,394,380	5,001,186
	Share based compensation to employees	8,831	11,139
	Staff welfare expenses	4,040	-
		5,407,251	**5,012,325**

(Amount in CAD)

		31 March 2022	31 March 2021
19	**Finance costs**		
	Other Interest expense	-	229
		-	**229**

(Amount in CAD)

		31 March 2022	31 March 2021
20	**Other expenses**		
	Travel and overseas expenses (net)	97,799	66,698
	Cost of service delivery (net)	12,323,439	13,581,521
	Cost of professional sub-contracting (net)	2,025,490	1,552,978
	Recruitment and training expenses	11,074	5,021
	Rent	13,680	15,162
	Insurance	5,734	8,917
	Rates and taxes	74,090	69,990
	Communication expenses (net)	853	-
	Legal and professional fees	164,018	16,713
	Foreign exchange loss (net)	136,271	1,011,901
	Bad debts written off	-	1,791
	Provision for doubtful debts and advances (net)	119,234	8,444
	Miscellaneous expenses (net)	4,634	4,463
		14,976,316	**16,343,599**

Note

Certain expenses are net of recoveries/reimbursements from customers.

21 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Ultimate holding company	Birlasoft Limited, India
Holding Company	Birlasoft Computer Corporation, USA
Fellow Subsidiary Companies	Birlasoft Solutions Inc.
	Birlasoft Solutions ME FZE
	Birlasoft Inc., USA
	Birlasoft Consulting Inc.
	Birlasoft Solutions Limited (UK)
	Birlasoft Solutions GmbH
	Birlasoft Sdn. Bhd., Malaysia
	Birlasoft Solutions Mexico S.A. DE C.V.
	Birlasoft (UK) Limited (Netherlands Branch)

B. Transactions with related parties

(Amount in CAD)

Sr.	Name of the related party	FY 2021-22		FY 2020-21	
		Amount of transactions 2021-22	Balance as on 31 March 2022	Amount of transactions 2020-21	Balance as on 31 March 2021
1	**Birlasoft Limited**				
	Advance Received (Net)	(35,283)	7,331	(8,408)	(56,191)
	Reimbursement of expenses (net) (including share based payment expenses)	41,896		(2,809)	
	Software service charges	9,775,843	(1,080,556)	9,999,037	(735,353)
2	**Birlasoft Computer Corporation, USA**				
	Sale of software services	375,238	191,660	186,215	66,582
	Software service charges	481,227	(304,993)	637,891	(38,796)
3	**Birlasoft Solutions Inc.**				
	Advance Received (Net)	-	(4,463)	(474,882)	(131,715)
	Reimbursement of expenses (net)	(4,463)		(11)	
	Repayment of loan given	5,507,751	-	-	5,353,280
	Interest income	154,471		174,971	
	Software service charges	866,807	(278,577)	1,487,412	(81,826)
	Sale of software services	2,310,412	1,788,959	1,167,019	1,576,241
4	**Birlasoft Solutions ME FZE**				
	Software service charges	105,795	(67,495)	96,213	(122,337)
5	**Birlasoft Inc., US**				
	Sale of software services	1,307,541	871,414	706,281	540,666
	Software service charges	206,108	(141,560)	89,918	(88,048)
6	**Birlasoft Consulting Inc.**				
	Sale of software services	254,424	166,049	150,715	22,275
	Software service charges	180,365	(110,422)	47,443	(6,408)
7	**Birlasoft Solutions Limited (UK)**				
	Software service charges	947,213	(539,802)	909,895	(83,245)
	Sale of software services	152,742	152,742	-	-
	Loan given	11,496,100	11,496,100	-	-
8	**Birlasoft Solutions GmbH**				
	Software service charges	28,860	(28,860)	-	-
	Sale of software services	136,059	248,943	112,884	112,884
9	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Sale of software services	28,381	28,381	-	-
	Software service charges	28	(28)	-	-
10	**Birlasoft (UK) Limited (Netherlands Branch)**				
	Advance Received (Net)	1,992	-	-	-
11	**Birlasoft Sdn. Bhd., Malaysia**				
	Sale of software services	-	-	116	-

22 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2022 (previous year 31 March 2021 - Nil).

23 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Dharmander Kapoor **Director**	Indu Nangia **Director**
New Jersey May 23, 2022	New Jersey May 23, 2022

Birlasoft Solutions Mexico S.A. DE C.V.

Registered Office: Río Duero 31, Col. Cuauhtémoc Del. Cuauhtémoc, Mexico City CP 06500.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	2021-22 MXN (Million)	2020-21 MXN (Million)
Total Income	20.55	20.55
Net Profit / (Loss) for the period	(2.64)	1.63

Operations

During the year under review, total income of the Company is same as last year but increase in expenses resulted in net loss of MXN 2.64 million.

Board of Directors

During the year under review, there was no change in the composition of Board of Directors. Mr. Dharmander Kapoor and Mr. Roopinder Singh are the Directors of the Company.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of Birlasoft Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

New Jersey
May 23, 2022

Dharmander Kapoor
Director

Balance Sheet

as at 31 March 2022

(Currency MXN)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Income tax assets (net)		813,728	-
		813,728	**-**
Current assets			
Financial assets			
Trade receivables			
Billed	2	4,083,005	10,626,843
Unbilled		446,876	2,336,011
Cash and cash equivalents	3	6,250,033	2,076,217
Other financial assets	4	240,000	-
Other current assets	5	648	-
		11,020,562	**15,039,071**
TOTAL ASSETS		**11,834,290**	**15,039,071**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	50,000	-
Other equity		(1,698,182)	939,309
Total equity		**(1,648,182)**	**939,309**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	7	-	1,484,594
		-	**1,484,594**
Current liabilities			
Financial liabilities			
Trade payables	8	8,008,602	8,764,645
Other financial liabilities	9	144,808	51,403
Other current liabilities	10	4,515,334	3,101,268
Income tax liabilities (net)		813,728	697,852
		13,482,472	**12,615,168**
TOTAL EQUITY AND LIABILITIES		**11,834,290**	**15,039,071**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2 - 17

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Dharmander Kapoor
Director

New Jersey
May 23, 2022

Roopinder Singh
Director

New Jersey
May 23, 2022

Statement of Profit and Loss
for the year ended 31 March 2022

(Currency MXN)

	Note	31 March 2022	31 March 2021
Revenue from operations	11	20,546,693	20,549,597
Total income		**20,546,693**	**20,549,597**
Expenses			
Employee benefits expense	12	7,196,672	5,438,069
Finance costs	13	5,089	57,468
Other expenses	14	15,866,547	12,727,886
Total expenses		**23,068,308**	**18,223,423**
Profit before tax		**(2,521,615)**	**2,326,174**
Tax expense			
Current tax		115,876	697,852
Total tax expense		**115,876**	**697,852**
Profit for the year		**(2,637,491)**	**1,628,322**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2 - 17

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Dharmander Kapoor **Director**	Roopinder Singh **Director**
New Jersey May 23, 2022	New Jersey May 23, 2022

Statement of Cash Flows
for the year ended 31 March 2022

(Currency MXN)

	31 March 2022	31 March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	(2,637,491)	1,628,322
Adjustments for		
Income tax expense	115,876	697,852
Operating Profit before working capital changes	**(2,516,526)**	**2,326,174**
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	8,432,973	(12,854,177)
Loans, other financials assets and other assets	(240,648)	-
Trade Payables	(756,043)	8,706,848
Other financial liabilities, other liabilities and provisions	1,507,471	3,869,996
Cash generated from operations	**6,427,227**	**2,048,841**
Income taxes paid	(813,728)	-
Net cash generated from operating activities (A)	**5,613,499**	**2,048,841**
B CASH FLOW FROM INVESTING ACTIVITIES		
Net cash used in investing activities (B)	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and application money	50,000	-
Repayment of loans taken from Related Party	(1,484,594)	-
Interest and finance charges paid	(5,089)	-
Net cash used in financing activities (C)	**(1,439,683)**	**-**
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**4,173,816**	**2,048,841**
Cash and cash equivalents at end of the year (Refer note 1 below)	6,250,033	2,076,217
Cash and cash equivalents at beginning of the year (Refer note 1 below)	2,076,217	4,496
Cash surplus / (deficit) for the year	4,173,816	2,071,721

Note 1 :

Cash and cash equivalents include:

Balance with banks		
- In current accounts	6,250,033	2,076,217
Total Cash and cash equivalents	**6,250,033**	**2,076,217**

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.

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Dharmander Kapoor **Director**	Roopinder Singh **Director**
New Jersey May 23, 2022	New Jersey May 23, 2022

Statement of Changes in Equity

for the year ended 31 March 2022

(Currency MXN)

		Amount
A	**Equity share capital**	
	Balance as at 1 April 2020	**-**
	Changes in equity share capital during 2020-21	-
	Balance as at 31 March 2021	**-**
	Changes in equity share capital during 2021-22	50,000
	Balance as at 31 March 2022	**50,000**

B Other equity

	Retained earnings	Total equity
Balance as on 01 April 2020	**(689,013)**	**(689,013)**
Profit for the year	1,628,322	1,628,322
Balance as on 31 March 2021	**939,309**	**939,309**
Profit for the year	(2,637,491)	(2,637,491)
Balance as on 31 March 2022	**(1,698,182)**	**(1,698,182)**

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Dharmander Kapoor
Director

New Jersey
May 23, 2022

Roopinder Singh
Director

New Jersey
May 23, 2022

Notes forming part of the financial statements

for the year ended 31 March 2022

Company Overview:

Birlasoft Solutions Mexico S.A. DE C.V. (“the Company”) is a Company incorporated in Mexico City on Ocober 25, 2018. The Company is a wholly owned subsidiary of Birlasoft Solutions Inc. The ultimate holding company is Birlasoft Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Customer Relationship Management, Supply Chain Management, Business Intelligence, Business Integration, Human Resource Management, Infrastructure Management Services and Strategic Sourcing.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements have been 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 the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements are presented in Mexican peso (“MXN”) and are rounded off to nearest MXN.

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.

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 realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised 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 atleast 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.

Liability

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.

1.3 Revenue recognition:

The Entity 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 entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method (‘POC method’) of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.

- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the entity 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.

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 entity 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 entity 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 entity disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgements in revenue recognition

The entity’s contracts with customers could include promises to transfer multiple products and services to a customer. The entity assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The entity 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 entity uses judgement to determine an appropriate standalone selling price for a performance obligation. The entity 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 entity uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The entity exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The entity 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.

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 other exchange differences to finance costs.

1.5 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 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. 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. 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.

Right of use of assets are tested for 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.

1.6 Earnings per share

Basic earnings per share are computed by dividing the 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 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.

1.7 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items 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.

1.8 Employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise 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 Company 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.

1.9 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.

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 financial statements since this may result in the recognition of income that may never be realized.

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.

1.10 Financial Instrument

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.

2 Trade receivables

(Currency MXN)

	31 March 2022	31 March 2021
(Unsecured)		
Trade Receivables considered good	4,083,005	10,626,843
	4,083,005	**10,626,843**

3 Cash and bank balances

(Currency MXN)

	31 March 2022	31 March 2021
Balances with banks		
- In current accounts	6,250,033	2,076,217
	6,250,033	**2,076,217**

4 Other current financial assets

(Currency MXN)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Security deposits	240,000	-
	240,000	**-**

5 Other current assets

(Currency MXN)

	31 March 2022	31 March 2021
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	648	-
	648	**-**

6 Equity Share capital

(Currency MXN)

	31 March 2022	31 March 2021
Issued, subscribed and fully paid up:		
50 fixed capital stock with a value of $1000 MXP	50,000	-
	50,000	**-**

7 Non-current borrowings

(Currency MXN)

	31 March 2022	31 March 2021
Loan from Birlasoft Solutions Inc.	-	1,484,594
	-	**1,484,594**

8 Trade payables

(Currency MXN)

	31 March 2022	31 March 2021
Trade payables	8,008,602	8,764,645
	8,008,602	**8,764,645**

9 Other current financial liabilities

(Currency MXN)

	31 March 2022	31 March 2021
Accrued employee costs	45,603	-
Other payables to related party	99,205	51,403
	144,808	**51,403**

10 Other current liabilities

(Currency MXN)

	31 March 2022	31 March 2021
Unearned revenue	3,545,031	1,514,352
Statutory remittances	970,303	1,586,916
	4,515,334	**3,101,268**

11 Revenue from operations

(Currency MXN)

	31 March 2022	31 March 2021
Software services	20,546,693	20,549,597
	20,546,693	**20,549,597**

12 Employee benefits expense

(Currency MXN)

	31 March 2022	31 March 2021
Salaries, wages and incentives	7,196,672	5,438,069
	7,196,672	**5,438,069**

13 Finance costs

(Currency MXN)

	31 March 2022	31 March 2021
Interest expenses	5,089	57,468
	5,089	**57,468**

14 Other expenses

(Currency MXN)

	31 March 2022	31 March 2021
Travel and overseas expenses (net)	116,651	-
Cost of service delivery (net)	11,240,289	9,696,917
Recruitment and training expenses	323,601	192,907
Rent	69,677	-
Rates and taxes	135,497	-
Legal and professional fees	3,434,397	2,187,363
Foreign exchange loss (net)	531,054	637,933
Miscellaneous expenses (net)	15,381	12,766
	15,866,547	**12,727,886**

Note

Certain expenses are net of recoveries/reimbursements from customers.

15 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Ultimate holding company	Birlasoft Limited, India
Holding Company	Birlasoft Solutions Inc.
Fellow Subsidiary Companies	Birlasoft Computer Corporation, USA
	Birlasoft Consulting Inc.
	Birlasoft Inc.
	Birlasoft Technologies Canada Corporation
	Birlasoft Limited, Singapore Branch
	Birlasoft Solutions Limited
	Birlasoft (UK) Limited

B. Transactions with related parties

(Amount in MXN)

Sr.	Name of the related party	FY 2021-22		FY 2020-21	
		Amount of transactions 2021-22	Balance as on 31 March 2022	Amount of transactions 2020-21	Balance as on 31 March 2021
1	**Birlasoft Limited, India**				
	Software service charges	5,719,284	-	5,386,339	(4,983,179)
2	**Birlasoft Computer Corporation, USA**				
	Loan taken	-	-	17,766	-
	Interest payable	-	-	99	-
	Software service charges	2,474,382	-	1,375,608	(1,170,704)
	Sale of software services	611,625	693,016	-	-
3	**Birlasoft Solutions Inc.**				
	Loan taken	1,541,086	-	(780,939)	(1,484,594)
	Interest payable	5,089	-	(50,021)	(51,403)
	Software service charges	2,957,915	-	2,934,970	(2,497,789)
	Sale of software services	3,290,356	(406,171)	2,899,519	331,900
	Reimbursement of expenses	(102,655)	(99,205)	-	-
4	**Birlasoft Consulting, Inc.**				
	Sale of software services	4,109	4,496	-	-
5	**Birlasoft Inc.**				
	Software service charges	46,402	(46,402)	-	-
	Sale of software services	1,649,162	1,872,422	-	-
6	**Birlasoft Technologies Canada Corporation**				
	Software service charges	367,681	(367,681)	-	-
	Sale of software services	2,055	2,055	-	-
7	**Birlasoft Limited, Singapore Branch**				
	Sale of software services	2,055	-	-	-
8	**Birlasoft Solutions Limited**				
	Sale of software services	75,583	-	-	-
9	**Birlasoft (UK) Limited**				
	Sale of software services	71,761	71,761	-	-

16 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2022 (previous year 31 March 2021 - nil).

17 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Dharmander Kapoor **Director**	Roopinder Singh **Director**
New Jersey May 23, 2022	New Jersey May 23, 2022

Birlasoft Solutions Ltda.

Registered Office: Alameda Santos, 1165 – 10ª andar – Cerqueira Cesar 01419-002 – São Paulo/SP- Brasil.

Board's Report

Dear Members,

Your Directors are pleased to present herewith the report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2022.

Financial Results

Particulars	2021-22 R$ (Million)	2020-21 R$ (Million)
Net Revenue	28.83	23.91
Profit / (Loss) for the period	3.63	2.59

Operations

During the year under review, total revenue of the Company increased by 20.58% which resulted in net profit of R$ 3.63 million.

Board of Directors

During the year under review, there was no change in the composition of the Board of Directors of the Company. Mr. Dharmander Kapoor, Mr. Roopinder Singh and Mr. Josney Ferraz are the Directors of the Company.

Audit

The Company appointed Actual Contabilidade S/S. as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors of
Birlasoft Solutions Ltda.

Noida
April 8, 2022

Dharmander Kapoor
Director

Balance Sheet

as of March 31, 2022 and 2021

(In Brazilian reais without cents)

Assets	2022	2021
Current Assets		
Cash and cash equivalents	5,198,232	5,251,043
Accounts receivable	2,966,553	2,486,623
Advances to employees	5,514	6,093
Recoverable taxes	1,491,714	1,104,243
Other accounts receivable	2,139,112	754,618
	11,801,125	**9,602,620**
Non-current Assets		
Judicial deposits	20,157	22,981
Property, plant and equipment	148,348	90,248
Intangible	1,046,132	427,551
	1,214,637	**540,780**
	13,015,762	**10,143,400**
Current liabilities:		
Suppliers	107,104	135,401
Intercompany loan Agreement	-	10,160
Taxes and contributions payable	242,331	322,297
Payroll and related charges	215,988	161,407
Accrued vacations and related charges	915,517	773,003
Accrued consulting fees	1,590,237	1,027,436
Accrued bonus	74,400	74,400
Lease agreement obligations	348,711	540,222
Other accruals	773,919	402,096
	4,268,207	**3,446,422**
Non-Current liabilities:		
Lease agreement obligations	697,421	-
Intercompany loan agreement	-	2,278,680
	697,421	**2,278,680**
Shareholders' equity:		
Capital stock	4,022,378	4,022,378
Accumulated profits	4,027,756	395,920
	8,050,134	**4,418,298**
	13,015,762	**10,143,400**

For and on behalf of the Board of Directors of
Birlasoft Solutions Ltda.

Dharmander Kapoor
Director

Noida
April 8, 2022

Roopinder Singh
Director

New Jersey
April 8, 2022

Income Statements

for the year ended March 31, 2022 and 2021

(In Brazilian reais without cents, except profit per sharequota)

	2022	2021
Gross revenue:		
Services revenue - domestic market	19,832,568	18,282,224
Services revenue - foreign market	10,609,353	7,006,331
	30,441,921	**25,288,555**
Deductions:		
Sales Taxes	(1,614,909)	(1,376,050)
Operational net revenue	**28,827,012**	**23,912,505**
Cost of services rendered	(18,255,407)	(15,413,415)
Gross profit	**10,571,605**	**8,499,090**
Operational expenses		
Selling expenses	(675,665)	(330,552)
Administrative and general expenses	(5,150,993)	(4,390,156)
Tax expenses	(17,458)	(9,088)
Finance (expenses) revenues, net	(108,771)	(297,119)
	(5,952,887)	**(5,026,915)**
Profit before financial result	4,618,718	3,472,175
Income and Social contributions tax	(986,882)	(882,024)
Profit for the year	3,631,836	2,590,151
Profit per sharequota	0.90	0.64

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors of
Birlasoft Solutions Ltda.

Dharmander Kapoor
Director

Noida
April 8, 2022

Roopinder Singh
Director

New Jersey
April 8, 2022

Statements of Changes in Shareholders' Equity

for the year ended March 31, 2022 and 2021

(In Brazilian reais without cents)

	Capital Stock	Accumulated profits (losses)	Total
Balances at April 1, 2020	**4,022,378**	**(2,194,231)**	**1,828,147**
Profit for the year	-	2,590,151	2,590,151
Balances at March 31, 2021	**4,022,378**	**395,920**	**4,418,298**
Profit for the year	-	3,631,836	3,631,836
Balances at March 31, 2022	**4,022,378**	**4,027,756**	**8,050,134**

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors of
Birlasoft Solutions Ltda.

Dharmander Kapoor
Director

Noida
April 8, 2022

Roopinder Singh
Director

New Jersey
April 8, 2022

Cash Flow Statements

for the year ended March 31, 2022 and 2021

(In Brazilian reais without cents)

	2022	2021
CASH FLOW OF OPERATIONAL ACTIVITIES		
Profit for the year	3,631,836	2,590,151
Adjustments to reconcile the fiscal year net profit with Cash generated by operational activities:		
Depreciation and amortization	462,680	532,923
Interest and exchange variation on intercompany loans	(113,780)	171,841
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	(479,930)	2,335,250
Advances to employees	579	(2,894)
Recoverable taxes	(387,471)	15,191
Other accounts receivable	(1,384,494)	(212,532)
Judicial deposits	2,824	-
Increase (decrease) in the operational liabilities:		
Suppliers	(28,297)	(27,331)
Taxes and contributions payable	(79,966)	186,126
Salaries and Labor Taxes payable	54,581	(3,883)
Accrued vacations and related charges	142,514	(27,503)
Accrued consulting fees	562,801	82,852
Accrued bonus	-	(26,769)
Other accruals	371,823	(268,569)
Cash generated from operational activities	**2,755,700**	**5,344,853**
CASH FLOW OF INVESTMENTS ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets	(1,139,361)	(340,806)
Cash invested on activities of investments	**(1,139,361)**	**(340,806)**
CASH FLOW OF FINANCIAL ACTIVITIES		
Lease agreement obligations	505,910	-
(Payments) funding of intercompany loans	(2,175,060)	(2,110,000)
	(1,669,150)	**(2,110,000)**
(DECREASE) INCREASE OF AVAILABLE FUNDS BALANCE	**(52,811)**	**2,894,047**
CASH AND CASH EQUIVALENTS		
Opening Balance	5,251,043	2,356,996
Ending Balance	5,198,232	5,251,043
(DECREASE) INCREASE OF AVAILABLE FUNDS BALANCE	**(52,811)**	**2,894,047**

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors of
Birlasoft Solutions Ltda.

Dharmander Kapoor
Director

Noida
April 8, 2022

Roopinder Singh
Director

New Jersey
April 8, 2022

Financial Statements
for the year ended March 31, 2022 and 2021

Qualified opinion

We reviewed the financial statements of Birlasoft Solutions Ltda. (“Company”) comprising the balance sheet on March 31st, 2022 and respective income statements, changes in shareholders' equity, and cash flow for the year ended on such date, as well as the summary of the main accounting policies and explanatory notes, comprising the significant accounting practices and other clarifying information.

Based on our review, except for the matter described in the “Base for conclusion for qualified opinion”, we are not aware of any fact that let us to believe that the financial statements do not present accordingly, in all material matters, the financial position of Birlasoft Solutions Ltda., on March 31, 2022, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil and international financial report standards (IFRS) issued by International Accounting Standards Board (IASB).

Base for conclusion for qualified opinion

The Company has continued to adopt, under human resources policy, hiring legal entities as services providers to develop technical activities without any formal employment under Brazilian labor laws. The performance of occasional initiatives by people linked to these service providers possibly, with such characteristics, can result in potential labor contingency.

Our review was carried out according to Brazilian and International audit standards. Our responsibilities, in accordance with such standards, are described in the following section titled “Auditor's responsibility for the audit of the financial statements”. We are independent in relation to the Company in accordance with the relevant ethical principles set out in the Code of Ethics of Professional Accountants and professional standards issued by the Federal Accounting Council and have complied with other ethical responsibilities according to these standards.

We believe the evidence obtained by audit is enough and proper to establish the grounds for our qualified opinion.

Management's liability on the financial statements

Company's management is liable for preparing and submitting the financial statements according to the accounting practices adopted in Brazil according to the international standards for financial report (IRFS) issued by International Accounting Standards Board – (IASB) and the internal control determined as necessary to allow preparing such financial statements free from relevant misstatement irrespective if caused by fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue operational, disclosing, as applicable, issues related to its operational continuity and using the this accounting basis in the preparation of the financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid closing the operations.

Auditor's responsibility for the audit of the financial statements

Our goals are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with Brazilian and international standards will always detect a material misstatement when it exists. Misstatements should 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 financial statements. As part of an audit carried out in accordance with Brazilian and International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the relevant risks of material misstatement in the 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.

- Understand internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going operational accounting basis 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 for operational continuity of Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report, however, adverse events or future conditions may eventually cause the Company to no longer remain in operational continuity.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the correspondent transactions and events in a manner compatible with proper presentation.

- Audit evidence was obtained, suitable and sufficient, regarding financial information to express an opinion on the financial statements. We are responsible for the guidance, supervision and performance of the audit and, consequently, for the audit opinion.

We communicate with the responsible for governance regarding, among other issues, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

São Paulo, April 8, 2022

Actual Contabilidade S.S.
CRC-SP – 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira
Accountant CRC – 1SP309141/O-1

Notes to the Financial Statements

for the year ended March 31, 2022 and 2021

1 Operational context

The Company's activities include basically the consulting and advisory services in types and configurations, as well as installation project developments related to the products sold, the sale of computer programs, software and applications, as well the consulting services in the information technology area and participation in other companies.

2 Presentation of the Financial Statements

a. Statement of compliance with IFRS and BRGAAP standards

Financial Statements have been prepared according to the accounting practices adopted in Brazil which encompasses the Business Corporations Laws, and Pronouncing, Guidance And Interpretation issued by Accounting Pronouncing Committee - CPC and in accordance with international financial reporting standards (International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB) and evidence all relevant information specific to the financial statements, and only this information corresponds to that used by management in its management.

On April 8th, 2022, The Administration of Company authorized the conclusion of such financial statements.

b. Measurement base

The financial statements have been prepared based on the historic cost except the following material items recognized in the balance sheet:

- Non-derivative financial Instruments designated at fair value by means of the results are measured at fair value.
- The financial assets available for sale are measured by the fair value.

c. Functional Currency and presentation currency

The items included in the financial statements have been measured by adopting the currency of the economic environment in which the Company operates (functional currency). The financial statements are showed in Brazilian Reais, which is the Company's functional currency.

d. Estimates use and judgment

The preparation of the financial statements according to the accounting practices adopted in Brazil requires the use of the judgments, estimates, and suppositions by The Administration of Company affecting the accounting policies use and reported values of the assets, liabilities, incomes and expenses. The actual results might differ from the estimates.

The estimates and assumptions are reviewed annually by The Administration of Company. The changes are recognized in the financial year in which such estimates are reviewed and in future years affected.

3 Main Accounting Practices

a. Financial instruments

The Company's non-derivative financial assets and liability are classified under the following categories:

i. Non-Derivative financial assets

Company recognizes the loans and receivables and deposits firstly on the origin date. All other financial assets (including assets designated by fair value through the results) are recognized firstly on the negotiation date when the Company becomes a party in the contractual provisions of the instrument. The Company classifies the non-derivative financial assets in the following categories: financial assets measured at fair value through the income and receivables.

ii. Receivables

Receivables are financial assets with fixed or determined payments, which are not offered in the active market. Such assets are recognized firstly at the fair value added from any attributed cost of the transactions. After the initial recognition, the loans and receivables are measured by the amortized cost using the actual interest method, reduced from the loss due to the reduction on the recoverable amount.

Receivables encompass the cash and cash equivalent, accounts receivables from customers and other receivables.

iii. Cash and cash equivalents

Include cash, bank sight deposits and temporary short term investments up to 90 days from the date of investment or deemed of immediate liquidity or convertible into known amount of cash, which are subject to an insignificant risk of change in value and are recorded by the cost values added by the income earned up to the balance sheets dates and do not exceed its market or performance value.

iv. Non-derivative financial liabilities

Firstly, Company recognizes the debt instruments issued on the date they are originated. All other financial liabilities are recognized firstly on the negotiation date when Company becomes a party in the contractual provisions of the instrument. Company writes off the financial liability when the contractual obligations are withdrew, canceled or overdue.

Such financial liabilities are recognized first by fair value deducted by any cost of the related transactions. After the initial recognition, such financial liabilities are measured by the amortized cost using the actual interest method, as applicable, in order to reflect the costs incurred up to the balance sheet date.

The Non-derivative financial liabilities of the Company refer basically to imports payable to holding added by exchange rate variation incurred up to the balance sheet date, suppliers and other accounts payable showed by known values or to be determined, updated by monetary adjustment index and interest, as applicable, to reflect the costs incurred up to the balance sheet date.

b. Fixed Assets

Acknowledgement and measurement: Fixed assets are measured by acquisition historic cost, deducting the accrued depreciation and losses from the reduction to recoverable amount (impairment) as required. The fixed assets costs include the expenses directly attributable to the assets acquisition. Other expenses are capitalized only when there is an increase in the economic benefits of the fixed assets item. Any other expense, when incurred, is recognized in results as expense. Gains and losses in the fixed assets disposal determined by comparing the resources from disposal and fixed assets accounting value are recognized as net in other incomes in the results.

Depreciation: The depreciation is computed by the straight-line method, at rates deemed compatible with the useful life.

c. Reduction on the assets recoverable amount

Non-derivative Financial Assets (including receivables)

The financial assets are evaluated at each submission date if it is not measured by fair value in order to determine any objective evidence of loss in the recoverable value. The assets has the loss in recoverable value if there is objective evidence of loss resulting from one or more events taking place after the assets initial recognition, and such loss event had a negative effect on the future cash flows forecast which should be estimated reliably.

The objective evidence of the financial assets lost value should include the debtor default or delay in payment, the renegotiation of the amount payable to the Company under conditions that The Company should not accept on other transactions, indications the debtor or issuer should be bankrupted or the end of the active market for the securities.

d. Provisions

A provision is recognized in respect to the past event, if the Company legal or constructive obligation could be estimated reliably and is likely to be an economic resource required to settle the obligation. The provisions are determined by means of deduction to cash flow expected at a rate before taxes reflecting the evaluations by current market regarding the value of money in time and the specific risks to the liability.

Company supported by legal opinion by its legal advisors and Management represents to have no knowledge of tax, civil and labor proceedings affecting materially its business, in addition to those already reflected in the financial statements on March 31st, 2022.

e. Operating Income

The operating income from sale in the regular course of the activities is measured by the fair value of the consideration received or to be received, net of returns, commercial discounts and bonuses. The operating income is recognized according to the service invoice is issuance, based on the technical working hours approved by customers. Certain service provision contracts provide for the delivery of services and / or contractual rights that are provided at different times during the term of the contracts, which require, under the terms established in CPC 47 (IFRS 15), that Management make an analysis with relation to the portion of revenue related to each stage of the contract for its proper recognition.

f. Operational costs

The cost of services in the markets in which the Company operates is mainly represented by the cost of productive hours worked at the rate paid to the technicians, billable and non-billable to customers, the cost of hours spent in any rework (guarantees).

g. Financial income and financial expenses

The financial income comprises interest income on investments, discounts obtained and yields from instruments classified as cash equivalents. The interest income is recognized in the results, by means of the effective interest method.

The financial expenses comprise interest expense on contractual expenses, bank charges, losses in fair value of financial assets measured at fair value by means of results and contingent consideration, etc.

h. Income Tax and Social Contribution

The income tax and social contribution of the current year are calculated based on 15% rate added from 10% additional on taxable profit exceeding R$ 240,000 for income tax and 9% on the taxable profit for social contribution on net profit, which take into account the tax loss offset and the loss of Social Contribution limited to 30% the taxable profit.

The income tax and social contributions expenses comprise the current taxes.

The tax charges and contributions calculated and collected by the Company, as well as their income statements and fiscal and accounting records are subject to review by the tax authorities in variable prescription deadlines.

Current tax

Current tax is the tax payable and receivable estimated on taxable profit or losses of the year, based on the tax rates published or materially published on the date the financial statements are prepared and any adjustments on taxes payable in respect to the previous years.

i. Intangible

As established by CPC 06 Leases (IFRS 16), in 2020, the right to use the property and building infrastructure where the Company is installed was recognized, with the corresponding liability being the total of the installments falling due, according to the agreement lease whose term will end in March 2022.

4 Cash and Cash Equivalents

	2022	2021
Cash and Cash Equivalents	-	-
Investments	5,198,232	5,251,043
	5,198,232	**5,251,043**

5 Accounts Receivable

	2022	2021
Domestic sales	2,178,206	1,719,036
Foreign sales	267,838	-
Foreign Sales – related parties	520,509	767,587
	2,966,553	**2,486,623**

6 Transactions with Related Parties

The transactions with related parties consist basically of information technologies services to enterprises abroad as showed below:

	2022	2021
Current Assets – Accounts receivable:		
Birlasoft Solutions Limited UK (KPIT UK) (Unilever)	57,808	82,557
Birla Solution Inc (Stryker)	141,458	374,093
Birlasoft Solution Limited UK (Morgan)	44,097	36,989
Birla Solution Inc (Cummins)	186,778	217,271
Birla Solution Inc (NOV)	64,655	43,033
Birla Solution Inc (WTF)	-	13.644
Birla Solution Inc (Cision)	10,096	-
Birla Solution Limited UK (Seadrill)	15,617	-
	520,509	**767,587**

The transactions performed during the year were the following:

	2022	2021
Foreign Market		
Services Revenue:		
Foreing Market		
Makro Colombia	558,907	-
Makro Argentina	518,893	-
Makro Venezuela	531,360	-
	1,609,161	**-**
Foreing Market - BIRLASOFT INC.		
CUMMINS	2,548,615	2,456,247
NOV	943,059	531,402
STRYKER	3,614,516	2,519,647
WEATHERFORD	44,138	65,743
BAXTER	100,005	-
VERTEX	100,005	-
CISION	90,461	-
	7,440,799	**5,573,039**
Foreing Market - BIRLASOFT LIMITED:		
UNILEVER	879,645	1,259,211
MORGAN	486,493	174,081
GLORY	85,594	-
SEADRILL	107,662	-
	1,559,394	**1,433,292**
	10,609,354	**7,006,331**

7 Intercompany loan agreement

Birlasoft Solutions Inc. (KPIT Infosystems Incorporated - KPIT US) is a wholly owned subsidiary of Birlasoft Limited (KPIT Technologies Limited, India - KPIT India) and Birlasoft Solutions Ltda. (KPIT Technologies Soluções em Informática Ltda. - KPIT Brazil) is a wholly owned subsidiary of Birlasoft Solutions Inc. (KPIT US).

A Birlasoft Solutions Inc. (KPIT Infosystems Incorporated - KPIT US), a company incorporated under the laws of State of New Jersey shall advance a loan of US$ 800,000 to Birlasoft Solutions Ltda. (KPIT Brazil) to fund its working capital requirements.

Birlasoft Solutions Ltda. shall be liable to pay interest at the rate of 3.5% per annum on the principal amount outstanding. The interest shall be paid on half yearly basis.

Birlasoft Solutions Ltda. shall repay the entire loan within a period not exceeding thirty-six months on rolling basis form the date of disbursal of the loan.

The balance of US$ 400,000 was fully paid in four installments during the year, as follows: US$ 50,000 on May 6, 21; $100,000 on June 1, 21; $50,000 on Aug 26/21; and US$200,000 on Oct 26/21.

8 Capital Stock

The capital, totally paid up, is of R$ 4,022,378 (R$ 4,022,378 at 2021), divided in 4,022,378 (4,022,378 at 2021) quotas at the nominal amount of R$ 1.00 each, distributed to quota holders in the following proportion:

Shareholder	Number of Sharequotas
Birlasoft Limited	1,000
Birlasoft Solutions Inc.	4,021,378
	4,022,378

Birlasoft Sdn. Bhd.

Registered office: Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3,
Bangsar South no.8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia.

Director's Report

The directors hereby submit their report together with the audited financial statements of the company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activities of the company are engaged in software development and information technology consultancy services. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM
Profit for the financial year	283,656

In the opinion of the directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures by the company during the financial year.

OPTIONS

No option has been granted during the financial year to take up unissued shares of the company.

DIRECTORS

The directors in office since the beginning of the financial year to the date of this report are:

Deepathayyil Vachali (f)

Raghvendra Mittal

Rajan Mittal

Sangram Tukaram Kadam

Sayersilan A/L Periannan

DIRECTORS' INTERESTS

As the company is a wholly-owned subsidiary of Birlasoft Limited, under Section 59(3) of the Companies Act 2016 in Malaysia, the interests in the shares of the company of all the directors, who are also directors of the holding company, are disclosed in the Directors' Report of the holding company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS' REMUNERATION

None of the directors of the company have received any remunerations from the company during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or liability insurance effected, for any directors, officers or auditors of the company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts inadequate to any substantial extent in the financial statements of the company or necessitate to make any allowance for doubtful debts; or

(b) which would render the values attributed to current assets in the financial statements of the company misleading; or

(c) not otherwise dealt with in this report or financial statements of the company which would render any amount stated in the financial statements misleading; or

(d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the company for the financial year in which this report is made.

HOLDING COMPANY

The directors regard Birlasoft Limited, a company incorporated and domiciled in India, as the company's holding company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year is disclosed in Note 17 to the financial statements.

AUDITORS

The details of the auditors' remuneration for the financial year ended 31 March 2022 amounted to RM4,500.

The auditors, Messrs SBY Partners PLT, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors

SAYERSILAN A/L PERIANNAN
Director

DEEPATHAYYIL VACHALI
Director

Kuala Lumpur
18 May 2022

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 10 to 26 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the company as at 31 March 2022 and of the financial performance and cash flows of the company for the financial year ended on that date.

Signed in Kuala Lumpur on 18 May 2022

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors

SAYERSILAN A/L PERIANNAN
Director

DEEPATHAYYIL VACHALI
Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Sayersilan A/L Periannan, being the director primarily responsible for the financial management of Birlasoft Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 10 to 26 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed, Sayersilan A/L Periannan
at Kuala Lumpur on 18 May 2022

SAYERSILAN A/L PERIANNAN

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Birlasoft Sdn. Bhd., which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 26.

In our opinion, the accompanying financial statements give a true and fair view of financial position of the company as at 31 March 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the company and our auditors' report thereon.

Our opinion on the financial statements of the company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the company are responsible for the preparation of financial statements of the company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements of the company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the company, the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the company, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 auditors' report to the related disclosures in the financial statements of the company 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 auditors' 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 financial statements of the company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Other Matters

This report is made solely to the member of the company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SBY PARTNERS PLT
Reg. No: 202106000003 (LLP0026726-LCA) AF: 0660
Chartered Accountants

SUKHPAL SINGH A/L KAUR SINGH
03494/05/2024 J
Chartered Accountant

Kuala Lumpur
18 May 2022

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2022 RM	2021 RM
ASSETS			
Non-Current Asset			
Equipment	4	-	-
Current Assets			
Trade and other receivables	5	1,018,736	332,024
Other asset	6	30,868	151,649
Current tax assets		-	35,737
Bank balances		870,959	852,189
		1,920,563	**1,371,599**
Total Assets		**1,920,563**	**1,371,599**
EQUITY AND LIABILITIES			
Equity			
Share capital	7	5,000	5,000
Retained profits		1,488,222	1,204,566
Total Equity		**1,493,222**	**1,209,566**
Liabilities			
Current Liabilities			
Trade and other payables	8	355,686	114,352
Other liabilities	9	14,025	47,681
Amount owing to holding company	10	5,941	-
Current tax liabilities		51,689	-
Total Liabilities		**427,341**	**162,033**
Total Equity and Liabilities		**1,920,563**	**1,371,599**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 March 2022

	Note	2022 RM	2021 RM
REVENUE	11	1,466,136	793,914
COST OF SALES		(1,007,283)	(652,863)
GROSS PROFIT		458,853	141,051
OTHER OPERATING INCOME		-	9,487
OTHER OPERATING EXPENSES		(78,733)	(182,736)
PROFIT/(LOSS) BEFORE TAXATION	12	380,120	(32,198)
INCOME TAX EXPENSE	13	(96,464)	(27,327)
NET PROFIT/(LOSS), REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		**283,656**	**(59,525)**

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2022

	Non - distributable Share Capital	Distributable Retained profits	Total
	RM	RM	RM
At 1 April 2020	5,000	1,264,091	1,269,091
Total comprehensive loss for the financial year	-	(59,525)	(59,525)
At 31 March 2021/1 April 2021	5,000	1,204,566	1,209,566
Total comprehensive income for the financial year	-	283,656	283,656
At 31 March 2022	**5,000**	**1,488,222**	**1,493,222**

STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2022

	2022	Reinstated 2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	380,120	(32,198)
Adjustments for:		
Bad debts written off	1,997	-
Gain on foreign exchange - unrealised	-	(9,277)
Operating profit/(loss) before working capital changes	382,117	(41,475)
Increase in trade and other receivables	(688,709)	(203,538)
Decrease/(increase) in other asset	120,781	(151,649)
Increase/(decrease) in trade and other payables	241,334	(645,644)
(Decrease)/increase in other liabilities	(33,656)	24,289
Cash generated from/(used in) operating activities	21,867	(1,018,017)
Tax refunded	25,488	30,183
Tax paid	(34,526)	(10,250)
Net cash generated from/(used in) operating activities	**12,829**	**(998,084)**
CASH FLOWS FROM FINANCING ACTIVITY		
Advance from holding company	5,941	-
Net increase/(decrease) in cash and cash equivalents	**18,770**	**(998,084)**
Cash and cash equivalents at the beginning of the financial year	852,189	1,850,273
Cash and cash equivalents at the end of the financial year	870,959	852,189
Cash and cash equivalents comprise:		
Bank balances	870,959	852,189

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022

1. GENERAL INFORMATION

The company is a private limited company, incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business of the company is Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activities of the company are engaged in software development and information technology consultancy services.

The holding company is Birlasoft Limited, a company incorporated and domiciled in India.

2. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Preparation

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements, which are presented in Ringgit Malaysia ("RM") have been prepared on the historical cost basis, except as disclosed in the accounting policies as set out below.

(b) Equipment

The cost of an item of equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. After recognition as an asset, an item of equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	%
Computers	33

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss.

(c) Impairment Of Non-Financial Assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An 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, if no impairment loss had been recognised in prior periods.

A reversal of an impairment loss is recognised immediately in profit or loss.

(d) Foreign Currency Transaction

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

(e) Financial Assets

Financial assets are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

(i) Financial Assets At Fair Value Through Profit Or Loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial Assets That Are Debt Instruments Measured At Amortised Cost

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

(iii) Financial Assets That Are Equity Instruments Measured At Cost Less Impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

Impairment Of Financial Assets

At the end of each reporting period, the company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidences could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

(f) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B of Section 22 of the MPERS, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

(g) Financial Liabilities

Financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

(i) Financial Liabilities Measured At Fair Value Through Profit Or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial Liabilities Measured At Amortised Cost

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

(iii) Loan Commitments Measured At Cost Less Impairment

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Provisions For Liabilities

A provision is recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

(i) Revenue Recognition

Revenue in respect of rendering of services is recognised when the stage of completion at end of each reporting period and the cost incurred can be reliably measured. The stage of completion is determined by the completion of physical proportion of the services transactions.

(j) Interest income

Interest income is recognised on accrual basis using the effective interest method.

(k) Income Tax Expense

Income taxes for the financial year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each end of the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(l) Cash And Cash Equivalents

Cash comprises cash and bank balances. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(m) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity):

(i) a person or a close member of that person's family is related to a reporting entity if that person:

   a. is a member of the key management personnel of the reporting entity or of a holding company of the reporting entity;

   b. has control or joint control over the reporting entity; or

   c. has significant influence over the reporting entity.

(ii) an entity is related to a reporting entity if any of the following conditions applies:

   a. the entity and the reporting entity are members of the same group (which means that each holding company, subsidiary company and fellow subsidiary company is related to the others).

   b. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   c. both entities are joint ventures of the same third entity.

   d. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   e. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

   f. the entity is controlled or jointly controlled by a person identified in (a).

   g. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

   h. a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation Of Equipment

The estimates for residual values, useful lives and related depreciation charges for the equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The company anticipates that the residual values of these equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of equipment is disclosed in Note 4.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of current tax liabilities is RM51,689 (2021: current tax assets RM35,737).

4. EQUIPMENT

The details of equipment are as follows:

	Computers RM
Cost	
At 1 April 2021/31 March 2022	8,699
Accumulated depreciation	
At 1 April 2021/31 March 2022	8,699
Net carrying amount	
At 31 March 2022	-
At 31 March 2021	-

5. TRADE AND OTHER RECEIVABLES

	2022 RM	2021 RM
Trade receivables	1,018,736	329,390
Other receivables	-	2,634
	1,018,736	**332,024**

The company's normal trade credit terms granted to the trade receivables is 60 days (2021: 60 days). Other credit terms are assessed and approved on a case-by-case basis.

6. OTHER ASSET

	2022 RM	2021 RM
Prepayment	30,868	151,649

7. SHARE CAPITAL

	2022	2021	2022	2021
	Number of ordinary shares		RM	RM
Issued share capital	5,000	5,000	5,000	5,000

The holders of the ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the company's residual assets.

8. TRADE AND OTHER PAYABLES

	2022 RM	2021 RM
Trade payables		
- Holding company	314,303	101,150
Other payables		
- Related party	-	636
- Third parties	41,383	12,566
	355,686	**114,352**

The credit term of trade payables to holding company is 180 days (2021: 180 days).

In previous financial year, the amount owing to related company in other payables is unsecured, interest free and repayable on demand.

9. OTHER LIABILITIES

	2022 RM	2021 RM
Accruals	14,025	47,681

10. AMOUNT OWING TO HOLDING COMPANY

Amount owing to holding company is unsecured, interest free and repayable on demand.

11. REVENUE

Revenue represents the invoiced value of services rendered, net of discounts.

12. PROFIT/(LOSS) BEFORE TAXATION

	2022 RM	2021 RM
Profit/(loss) before taxation is stated after charging:		
Auditors' remuneration		
- current year's provision	4,500	4,500
- under provision in respect of prior year	102	2,129
Bad debts written off	1,997	-
Loss on foreign exchange - realised	20,812	69,077
Rental of premises		
- current year's expense	1,400	8,050
- over provision in respect of prior year	(5,600)	(2,800)
After crediting:		
Gain on foreign exchange - unrealised	-	9,277

13. INCOME TAX EXPENSE

	2022 RM	2021 RM
Malaysian income tax:		
- current year's provision	91,155	-
- under provision in respect of prior year	5,309	27,327
	96,464	**27,327**

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2022 RM	2021 RM
Profit/(loss) before taxation	380,120	(32,198)
Income tax expense at Malaysian statutory tax rate of 24% (2021: 24%)	91,229	(7,728)
• Adjustments for the following tax effects:		
- expenses not deductible for tax purposes	135	10,161
- income not subject for tax	-	(2,224)
- utilised of deferred tax asset not recognised in prior year	(209)	(209)
	(74)	7,728
• Under provision of current income tax in respect of prior year	5,309	27,327
	96,464	**27,327**

The amounts of temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	2022 RM	2021 RM
Excess of accumulated depreciation over corresponding capital allowances claimed	869	1,739

14. RELATED PARTY TRANSACTIONS

(a) Identify of related parties

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel comprise the directors and management personnel of the company, having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly.

(b) Related company/party transactions

The related company/party transactions of the company are shown below. The balances related to these transactions are shown in Note 8 and 10 respectively.

	2022 RM	2021 RM
i. Transactions with holding company		
- Services received	1,017,663	632,385
- Management fee	6,627	-
ii. Transactions with company in which the directors of the company have substantial financial interest		
- Services received	-	15,044

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(c) Compensation of key management personnel

The company does not has any key management compensation during the financial year.

15. CATEGORIES OF FINANCIAL INSTRUMENTS

	2022 RM	2021 RM
Financial assets:		
Measured at amortised cost		
Trade and other receivables	1,018,736	332,024
Bank balances	870,959	852,189
	1,889,695	**1,184,213**
Financial liabilities:		
Measured at amortised cost		
Trade and other payables	355,686	114,352
Amount owing to holding company	5,941	-
	361,627	**114,352**

16. COMPARATIVE FIGURES

The following entries were made to the statements of cash flows of prior financial year due to reclassification made to conform with the current financial year's presentation as follows:

	As previously reported 2021 RM	Reclassification RM	As restated 2021 RM
Statement of cash flows (extracted):			
Cash flows used in operating activities			
Increase in receivables	(355,187)	355,187	-
Increase in trade and other receivables	-	(203,538)	(203,538)
Increase in other asset	-	(151,649)	(151,649)
Decrease in payables	(621,355)	621,355	-
Decrease in trade and other payables	-	(645,644)	(645,644)
Increase in other liabilities	-	24,289	24,289

17. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. Subsequently, the Government of Malaysia has imposed various phases of the MCO so as to contain the pandemic in Malaysia.

The company has performed assessments on the overall impact of the situation on the company's operation and financial implication, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 March 2022.

Given the fluidity of the situation, the company is unable to reasonably estimate the complete financial impacts of the COVID-19 pandemic for the financial year ended 31 March 2022 to be disclosed in the financial statement as impact assessment of the COVID-19 pandemic is a continuing process. The company will continuously monitor any material changes on the company's operation.

18. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 18 May 2022 by the Board of Directors.

STATEMENT OF PROFIT OR LOSS

for the financial year ended 31 March 2022

	2022 RM	2021 RM
REVENUE	1,466,136	793,914
Less: COST OF SALES		
Cost of offshore projects	1,017,825	632,385
Cost of outsource consultants	-	15,044
Medical insurance		
- current year's expenses	-	5,434
- over provision in respect of prior year	(10,542)	-
	1,007,283	**652,863**
GROSS PROFIT	458,853	141,051
Add: OTHER OPERATING INCOME		
Gain on foreign exchange - unrealised	-	9,277
Other income	-	210
	458,853	**150,538**
Less: OPERATING EXPENSES		
Auditors' remuneration		
- current year's provision	4,500	4,500
- under provision in respect of prior year	102	2,129
Bank charges	212	56
Bad debts written off	1,997	-
Loss on foreign exchange - realised	20,812	69,077
Management fee	6,627	-
Postage and courier	252	1,954
Professional fees	45,654	90,479
Rental of premises		
- current year's expenses	1,400	8,050
- over provision in respect of prior year	(5,600)	(2,800)
Secretarial and filing fees	-	4,060
Subscription fees	2,777	-
Service tax	-	1,139
Tax compliance fees	-	4,028
Telecommunication, telephone and fax	-	64
	78,733	**182,736**
PROFIT/(LOSS) BEFORE TAXATION	**380,120**	**(32,198)**

Birlasoft Solutions ME FZE

Registered Office: 2W 113, 6EA 331, P.O.Box No.54931, Dubai Airport Free Zone Authority, Dubai, U.A.E.

Manager's Report

The manager has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2022.

Principal activities

The activity of the establishment as per service license are information technology consultants and IT infrastructure. During the year also, the establishment was engaged in providing software and IT infrastructure services.

Financial results

The establishment has achieved revenue of AED 5,776,324 for the year ended 31 March 2022 (31 March 2021: revenue is AED 10,890,504). The net loss for the year is AED 885,408 (31 March 2021: net profit of AED 631,137). The management is optimistic about the prospects for the next year and expects to improve the performance of the establishment. The management has assessed the impact of COVID-19 on the presented financial statements and it is considered not substantial and not requiring any adjustments in the financial statements for the year ended 31 March 2022.

Management' responsibilities

The company law requires the management to prepare the financial statements for each financial year, which provide a true and fair view of the state of the affairs of the establishment and the net profit or loss for the year. The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the establishment and to enable them to ensure that the financial statements comply with the International Financial Reporting Standards and Dubai Airport Free Zone Implementing Regulations 2021 issued pursuant to the authority vested in it under Law No. 25 of 2009 concerning Dubai International Airport Free Zone.

Events after the reporting period

There are no significant events after the reporting period affecting the financial statements or disclosures. The management is in the process of assessment of the impact of COVID-19 on the financial performance of the establishment in the coming year.

Shareholder and its interests

The shareholder and its interests in the establishment were disclosed in the note 1 of the financial statements. There were no changes to the shareholding structure during the year.

Management

As per the renewed service license of the establishment, Mr. Sangram Tukaram Kadam and Mr. Elson Varghese Mattappadom are appointed as the managers of the establishment. Mr. Sangram Tukaram Kadam and Mr. Dharmander Kapoor are appointed as the directors of the establishment.

Auditors

Koya Chartered Accountants were the auditors of the establishment for the year ended 31 March 2022 and they express their willingness to continue as auditors for the year ending 31 March 2023.

Acknowledgements

The manager wishes to place on record his sincere gratitude for the continuous support extended by various governments, banks, customers, suppliers, employees and all well-wishers.

Mr. Sangram Kadam
Manager

Birlasoft Solutions ME FZE
05 May, 2022

Auditors' Report

for the year ended 31 March 2022

Independent auditor's report to the shareholder of M/s Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E

Opinion

We have audited the accompanying financial statements of M/s Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai, U.A.E ("the Establishment") which comprise the statement of financial position as at 31 March 2022, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the establishment as at 31 March 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Dubai Airport Free Zone Implementing Regulations 2021 issued pursuant to the authority vested in it under Law No. 25 of 2009 concerning Dubai International Airport Free Zone. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other responsibilities in accordance with, these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and applicable law of United Arab Emirates, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the establishment's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the establishment or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the establishment's financial reporting process.

Auditors' responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the establishment to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Other matters

As per the information provided by the management, the establishment has assessed and concluded the impact of COVID-19 on the presented financial statements and it is considered not substantial and not requiring any adjustments in the financial statements for the year ended 31 March 2022. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2022 have not been adjusted to reflect the COVID-19 impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the establishment for future periods.

Report on other legal and regulatory requirements

We further confirm that proper financial records have been kept by the establishment and the contents of the managers' report relating to these financial statements are in agreement with the establishment's financial records. We have obtained all the information and explanations, which we considered necessary for our audit. According to the information available to us, there were no contraventions, during the year of the Dubai Airport Free Zone Implementing Regulations 2021 issued pursuant to the authority vested in it under Law No. 25 of 2009 Concerning Dubai International Airport Free Zone or of the establishment's articles of association which might have materially affected the financial position of the establishment or the results of its operations for the year.

Koya Chartered Accountants
P. P. Kunhamad Koya
Reg. No. 623
05 May 2022

Statement of financial position
as at 31 March 2022

	Notes	31.03.2022 AED	31.03.2021 AED
Assets			
Non-current assets			
Property, plant and equipment	5	9,227	32,468
Total non-current assets		**9,227**	**32,468**
Current assets			
Due from related parties	6	3,319,828	357,220
Accounts and other receivables	7	743,321	5,452,050
Cash and bank balances	8	5,735,291	8,565,528
Total current assets		**9,798,440**	**14,374,798**
Total assets		**9,807,667**	**14,407,266**
Equity and liabilities			
Equity			
Share capital	1	1,000,000	1,000,000
Retained earnings		7,608,793	8,494,201
Shareholders' current account	9	185,661	185,661
Total equity		**8,794,454**	**9,679,862**
Non-current liabilities			
Provision for employees' end of service benefits	10	363,025	294,336
Total non-current liabilities		**363,025**	**294,336**
Current liabilities			
Due to related parties	6	189,279	1,747,246
Accounts and other payables	11	460,909	2,685,822
Total current liabilities		**650,188**	**4,433,068**
Total liabilities		**1,013,213**	**4,727,404**
Total equity and liabilities		**9,807,667**	**14,407,266**

For **Birlasoft Solutions ME FZE**

Mr. Sangram Kadam
Manager

Statement of comprehensive income
For the year ended 31 March 2022

	Notes	31.03.2022 AED	31.03.2021 AED
Revenue	12	5,776,324	10,890,504
Cost of consultancy services	13	(3,993,380)	(8,122,162)
Staff cost		(1,925,927)	(1,329,183)
General and administrative expenses	14	(894,930)	(974,499)
Other income	15	152,505	166,477
(Loss)/profit for the year		**(885,408)**	**631,137**
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		**(885,408)**	**631,137**

Statement of changes in equity
For the year ended 31 March 2022

	Share capital AED	Retained earnings AED	Shareholder's current account AED	Total AED
Balance as at 01 April 2020	**1,000,000**	**7,863,064**	**185,661**	**9,048,725**
Total comprehensive income for the year	-	631,137	-	631,137
Balance as at 31 March 2021	**1,000,000**	**8,494,201**	**185,661**	**9,679,862**
Total comprehensive loss for the year	-	(885,408)	-	(885,408)
Balance as at 31 March 2022	**1,000,000**	**7,608,793**	**185,661**	**8,794,454**

Statement of cash flows
For the year ended 31 March 2022

	31.03.2022 AED	31.03.2021 AED
Cash flows from operating activities		
Net (loss)/profit for the year	(885,408)	631,137
Adjustments for:		
Depreciation/adjustments	23,241	51,341
Provision for employees' end of service benefits	68,689	40,290
Cash flows before working capital changes	**(793,478)**	**722,768**
Changes in:		
Due from related parties	(2,962,608)	(197,182)
Accounts and other receivables	4,708,729	(3,576,321)
Accounts and other payables	(2,224,913)	1,624,776
Due to related parties	(1,557,967)	(1,664,737)
Net cash used in operating activities	**(2,830,237)**	**(3,090,696)**
Net decrease in cash and cash equivalents	(2,830,237)	(3,090,696)
Cash and cash equivalents at the beginning of the year	8,565,528	11,656,224
Cash and cash equivalents at the end of the year	**5,735,291**	**8,565,528**
Cash and cash equivalents comprise of:		
Cash at bank	**5,735,291**	**8,565,528**

Notes to the financial statements

For the year ended 31 March 2022

1. Legal status and business activities

The financial statements combine the following:

i. M/s. Birlasoft Solutions ME FZE, Dubai, U.A.E ("head office"), registered with Dubai Airport Free Zone Authority as a Free Zone Establishment under the service license no: 756 issued on 17 July 2005. The establishment was formerly registered with the name "KPIT Infosystems ME FZE" and the name was changed to "Birlasoft Solutions ME FZE" as per the amended memorandum and certificate of name change dated 05 November 2019. The shareholder and its shareholding pattern as on the date of statement of financial position is as follows:

Name of the shareholder	Nationality	No. of shares	AED	%
M/s. Birlasoft Limited	Indian	1	1,000,000	100

ii. M/s. Birlasoft Solutions ME FZE, branch, registered with Australian Securities and Investments Commission, Australia, under the Australian Registered Body Number – 164 424 364 issued on 12th July 2013.

iii. M/s. Birlasoft Solutions ME FZE, branch registered in South Korea, as per registration No: 131181-0057655 issued on 13th June 2014. The establishment opened the branch to expand its operations in Korea and Asia Pacific region.

Activity

The activity of the establishment as per service license are information technology consultants and IT infrastructure. During the year also, the establishment was engaged in providing software and IT infrastructure services.

Registered address

The registered office of the establishment is located at 2W 113, 6EA 331, P.O.Box No.54931, Dubai Airport Free Zone Authority, Dubai, UAE.

Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai – United Arab Emirates

Management

As per the renewed service license of the establishment, Mr. Sangram Tukaram Kadam and Mr. Elson Varghese Mattappadom are appointed as the managers of the establishment. Mr. Sangram Tukaram Kadam and Mr. Dharmander Kapoor are appointed as the directors of the establishment.

Accounting period

These financial statements relate to the accounts for the period from 01 April 2021 to 31 March 2022.

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New standards, interpretations and amendments effective from January 1, 2021

The following new and revised IFRSs are mandatory to be applied by entities and have been adopted in these financial statements to the extent they are applicable.

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)

2.2 New standards, interpretations and amendments not yet effective

The establishment has not applied the following new and revised IFRSs that have been issued but are not yet effective for annual years beginning on or after January 1, 2021. The adoption in the relevant accounting year will have required relevant disclosures within the financial statements.

The following amendments are effective for the year beginning 1 January 2022:

- Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The following amendments are effective for the year beginning 1 January 2023:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as current or Noncurrent
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

3. Basis of preparation and significant accounting policies

3.1 Basis of combination

These financial statements combine the assets, liabilities and operations of Birlasoft Solutions ME FZE in U.A.E, Australia and South Korea. The significant accounting policies adopted in the preparation of these financial statements are set out below.

3.2 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to the operations of the establishment. All significant intercompany balances, transactions, income and expenses have been eliminated on consolidation. The accounting policies adopted have been consistently applied in dealing with items considered material to the establishment's financial statements.

3.3 Basis of preparation

The financial statements are prepared under the historical cost convention, modified to incorporate changes to the carrying values of assets and liabilities as necessary.

3.4 Foreign currencies

3.4.1 Functional and presentation currency

The financial statements are presented in Arab Emirates Dirham (AED), which is the establishment's functional and presentation currency. The functional currencies of M/s. Birlasoft Solutions ME FZE branches in Australia and Korea are Australian dollar and South Korean Won respectively.

3.4.2 Transactions and balances

Transactions in foreign currencies are translated to AED at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to AED at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to AED at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are generally recognized in profit or loss.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the establishment and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight – line method over its useful lives as follows:

	Years
Air conditioning machine	10
Furniture, fixtures & fittings	8
Computer systems & peripherals	4
Leasehold Improvements	4

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

3.6 Revenue recognition

Revenue from contracts with customers

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.

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 recognised 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 recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.

- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the 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 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.

The Company 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 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 judgements 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 judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The 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 judgement 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 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.

- Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization. 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.

3.7 Financial instruments

Recognition and initial measurement

Trade receivables, receivables from related parties, bank balances, trade payables and payables to related parties are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date at which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item measured at FVTPL, which is initially measured at fair value.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows, or realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the company's management;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales, and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets.

Assessment of whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal" is defined as the fair value of the financial asset on initial recognition. · Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- Contingent events that would change the amount or timing of cash flows;

- Terms that may adjust the contractual coupon rate, including variable-rate features;

- Prepayment and extension features; and

- Terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Subsequent measurement and gains and losses

The assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company derecognizes financial liabilities when the underlying contractual obligations are discharged or cancelled or expired.

3.8 Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the establishment has no expectation of settling its employees' terminal benefits obligation in the near future.

3.9 Accounts and other receivables

Accounts receivables are stated at original invoice amount less provision for expected credit losses. An estimate for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery. A provision for expected credit losses of accounts receivables is established when the establishment expects that it will not be able to collect all amounts due according to the original terms of receivables. When accounts receivables are uncollectible, it is written off against the provision for expected credit losses. Subsequent recoveries of amounts previously written off are shown as other income in the statement of comprehensive income.

3.10 Accounts and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the establishment.

3.11 Impairment

Financial assets

The establishment recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Non -financial assets

At each reporting date, the establishment assesses if there is any indication of impairment of non-financial assets. If an indication exists, the establishment estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of comprehensive income. The establishment also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced.

The resultant impairment loss or reversals are recognized immediately in the statement of comprehensive income.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise bank balance and margin money deposits.

3.13 Leases

Establishment as a lessee

The establishment assesses whether a contract is or contains a lease, at inception of the contract. The establishment recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (leases with term of 12 months or less) and leases of low value assets. For these leases, the establishment recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

In case if the lease commitments of the establishment are in the nature of short-term leases then the lease payments made by the establishment are charged to the statement of comprehensive income.

4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

4.1 Allowance for doubtful debts

Management has estimated the recoverability of accounts receivable balances and has considered the allowance required for doubtful debts on the current economic environment and past default history.

4.2 Property, plant and equipment

Property, plant and equipment are depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Notes to the financial statements
For the year ended 31 March 2022

5 Property, plant and equipment

	Air conditioning machine AED	Furniture, fixtures & fittings AED	Motor Vehicle AED	Computer Systems & peripherals AED	Leasehold Improvements AED	Total AED
Cost						
Balance at 01 April 2020	462	232,409	37,000	296,896	17,961	584,728
Disposals/write off	-	-	(37,000)	-	-	(37,000)
Balance at 31 March 2021	462	232,409	-	296,896	17,961	547,728
Additions	-	-	-	-	-	-
Balance at 31 March 2022	**462**	**232,409**	**-**	**296,896**	**17,961**	**547,728**
Accumulated depreciation						
Balance at 01 April 2020	161	159,679	37,000	286,602	17,477	500,919
Depreciation	286	41,857	-	9,198	-	51,341
Disposals/write off	-	-	(37,000)	-	-	(37,000)
Balance at 31 March 2021	447	201,536	-	295,800	17,477	515,260
Depreciation/adjustments	15	21,646	-	1,096	484	23,241
Balance at 31 March 2022	**462**	**223,182**	**-**	**296,896**	**17,961**	**538,501**
Carrying amounts						
As at 31 March 2022	-	9,227	-	-	-	9,227
As at 31 March 2021	**15**	**30,873**	**-**	**1,096**	**484**	**32,468**

6 Related party transactions

	31.03.2022 AED	31.03.2021 AED
Due from related parties		
Birlasoft Technologies Corporation, Canada	196,825	357,220
Birlasoft Solutions Inc., USA	441,179	-
Birlasoft (UK) Ltd	113,117	-
Birlasoft Limited, Pune	1,499,474	-
Birlasoft Limited, New Zealand	1,069,233	-
	3,319,828	**357,220**
Due to related parties		
Birlasoft Limited, Singapore	189,279	276,273
Birlasoft Limited, Pune	-	1,463,579
Birlasoft Solutions Inc., USA	-	7,394
	189,279	**1,747,246**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions represent transactions with shareholder, director and senior management of the establishment and entities in which they have significant influence or control or are similarly influenced or controlled. The establishment enters into transactions with related parties in the normal course of business at prices determined by the management.

During the year, there were cost recharges between the related parties as business executions happened from various entities within the group.

7 Accounts and other receivables

	31.03.2022 AED	31.03.2021 AED
Accounts receivables	236,238	453,499
Less: allowance for doubtful debts	(12,531)	(12,531)
	223,707	**440,968**
Accrued revenue	160,635	4,256,640
Advances	1,803	6,391
Deposits	44,322	30,583
Prepayments	303,028	594,018
Other receivables	9,826	123,450
	743,321	**5,452,050**
Age wise analysis of accounts receivables		
Less than 3 months	204,021	440,968
3 - 6 months	19,859	-
More than 6 months	12,358	12,531
	236,238	**453,499**

a) Accrued revenue represents income generated from providing software and IT infrastructure services which is due but not invoiced as on the statement of financial position date.

b) The fair value of accounts receivables is not materially different from their net balances shown in the statement of financial position.

c) The credit risk on accounts receivable is limited as the establishment evaluates its customers and limits the credit risks by ensuring that collections are in line with the agreed terms and conditions.

d) Credit risks related to receivables are managed subject to the establishment's policy, procedures and control relating to customer credit risk management. The establishment has recognised sufficient expected credit loss in account receivables and all other account receivables are considered to be good and collectible by the management.

	31.03.2022 AED	31.03.2021 AED
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	12,531	122,125
Additional allowance during the year	-	12,531
Excess provision written back	-	(122,125)
	12,531	**12,531**

8 Cash and bank balances

	31.03.2022 AED	31.03.2021 AED
Cash at bank	5,597,658	8,427,895
Margin money deposits	137,633	137,633
	5,735,291	**8,565,528**

9 Shareholder's current account

There are no defined repayment arrangements for the shareholder's current accounts and these amounts are interest free and unsecured.

10 Provision for employees' end of service benefits

	31.03.2022 AED	31.03.2021 AED
Opening balance	294,336	254,046
Charges for the year	68,689	42,350
Less: payments during the year	-	(2,060)
	363,025	**294,336**

11 Accounts and other payables

	31.03.2022 AED	31.03.2021 AED
Accounts payable	18,736	130,447
Deferred revenue	-	2,147,103
Provisions and accrued expenses	442,173	351,944
Other payable	-	56,328
	460,909	**2,685,822**

12 Revenue

Revenue represents income generated from providing software and IT infrastructure services. Service charges amounting to AED 160,635/- which is due but not invoiced during the financial year, is recognised as revenue as per IFRS 15 - 'Revenue from contract with customers' as all the performance obligations are met.

13 Cost of consultancy services

Cost of consultancy services include consultancy fee paid to consultants and subcontractors.

14 General and administrative expenses

	31.03.2022 AED	31.03.2021 AED
Legal, visa, professional and other charges	181,908	175,858
Rent	105,480	107,727
Insurance	101,848	100,871
Communication	35,174	35,911
Bank charges	22,986	22,176
Travelling and conveyance	16,637	7,906
Exchange loss	288,131	420,167
Depreciation	23,241	51,341
Bad debts	-	34,607
Other expenses	119,525	17,935
	894,930	**974,499**

15 Other income

Other income represents bank interest received, excess provision written back and government grants received during the year.

16 Financial instruments

Financial assets and liabilities

Financial assets of the establishment include cash and bank balances, due from related parties and accounts and other receivables and financial liabilities include accounts and other payables, due to related parties and other long term liabilities.

Credit risk

Financial assets, which potentially expose the establishment to concentration of credit risk, comprise principally of bank accounts and accounts receivables. The establishment's bank accounts are placed with banks with good credit ratings.

Accounts receivables

Credit risks related to receivables are managed subject to the establishment's policy, procedures and control relating to customer credit risk management.

At each reporting date, the establishment measures expected credit losses (ECL).The establishment has recognised sufficient expected credit loss in account receivables and all other account receivables are considered to be good and collectible by the management.

Exchange risk

Currency risk related to change in exchange rate which affect payment flows in foreign currencies and valuation of liabilities in foreign currencies. The establishment regularly monitors exchange fluctuations and take such steps as may be required to cover itself.

Liquidity risk

The establishment manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The establishment maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

Interest rate risk

The establishment is not exposed to any interest rate risk as they do not have any variable interest rate financial assets/liabilities at the reporting date.

Fair value

The management believes that the fair values of the financial assets and liabilities are not materially different from their carrying amounts at the statement of financial position date.

17 Contingent liabilities and capital commitments

	31.03.2022 AED	31.03.2021 AED
Letters of guarantee	137,633	137,633

There are no known contingent liabilities except the above and ongoing business obligations in the normal course of business against which no loss is expected, with the exception of the issues surrounding the COVID-19 outbreak. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the establishment for future periods.

18 Comparative amounts

Previous year amounts have been regrouped and reclassified wherever necessary to make them comparable to those of the current year.

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