birlasoft

CREATING
SUSTAINABLE
COMMUNITIES
**POWERED BY
TECHNOLOGY**

Engaged.
Dependable.
Challenger.

Chairman's Letter- FY 21

Dear Shareholders,

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

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

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

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

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

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

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

Amita Birla
Chairman

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1   Introduction:

Introduction

1.1 About the Company

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

C K Birla Group Profile

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

With over 30,000 employees, 44 manufacturing facilities and numerous patents and awards, the Group's businesses are present across five continents. The Group operates in three industry clusters: technology and automotive, home and building, and healthcare and education.

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

1.2 Company Overview

Birlasoft has unique, industry-leading capabilities from the Enterprise Product and Cloud companies: SAP, Oracle, J D Edwards, Microsoft, Amazon Web Services (AWS), Google, Salesforce.com, Service Now, etc. The company has strategic-level partnerships with SAP, Oracle as well as with Salesforce.com; a position unmatched by any other similar sized company. Birlasoft also possesses significant 'Digital' capability in Analytics, Robotic Process Automation (RPA), Digital Portals, User Experience and Digital advisory services. A large set of solutions and services demonstrates its capabilities and presence in Application Development, Support and Maintenance for Next-Generation Services in the digital world.

The year gone by

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

1.3 Financial Performance

The Company reported a revenue of ₹35,557 Mn (US$ 479.6 Mn) and grew 8.0% YoY (3.4% in US$) despite many challenges in a COVID-19 impacted year. The EBITDA stood at ₹5,292 Mn (US$ 71.5 Mn), a growth of 35% YoY (29.5% in $ terms). The EBITDA margins improved significantly from 11.9% in FY20 to 14.9% in FY 21, an improvement of 300 BPS. The PAT stood at ₹3,208 Mn (US$ 43.4 Mn), an increase of 43% (37.1% in US$ terms).

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

- The Company closed its last leg of integration by integrating its Information Technology and moving to best-in-class software and systems. To state an example, the financial accounting system moved to S4 Hana, CRM moved to MS Dynamics, etc.
- Annuity business for the company went up significantly from ~60% in Q4 FY 20 to 70% in Q4 of FY 21.
- Days Sales Outstanding (DSO) was at its lowest - 56 days, an improvement of 16 days YoY.
- The Company's cash balance crossed ₹10,000 Mn and stood at ₹11,189 Mn as of March 31, 2021.
- Birlasoft has won its highest TCV deal wins during FY 21 amounting to US$ 888 Mn, up by 32.7% on a YoY basis.
- Company's utilization improved from 80.9% in Q4FY20 to 82.8% in Q4 FY 21.
- Birlasoft won the Aegis Graham Bell Award (AGBA) for Birlasoft's intelliOpen™ solution. IntelliOpen™ is an integrated digital solution using IoT, Analytics, AI, and wearables to strengthen return-to-work strategies, and support companies to restart and operate businesses with confidence.
- Birlasoft was named as one of the Booming 15 (Global Market) in the 4Q20 Global ISG Index™. This is the fourth time in a row that Birlasoft has been featured across categories by ISG.
- Birlasoft was recognized as India's Most Admired & Valuable Power Brand Company for the year 2020, at the India Leadership Conclave & Awards 2020.

- Birlasoft received SABERA 2020 Award for its community-benefiting Initiative - Project Shodhan. Project Shodhan was set up in 2017 with the aim of achieving zero crop residue burning in the villages of Indian states of Punjab, Haryana, Uttar Pradesh, and Rajasthan. In four years, the initiative has covered 61 villages and 53,000 acres of agricultural land in these "wheat bowl states". This is the third time in a row that Project Shodhan has been acknowledged and appreciated by the SABERA jury members.

Birlasoft's manpower strength as of March 31, 2021 stood at 11,051 and saw net addition of 783 professionals during the year. During the year under review, the Board of Directors declared an interim dividend of ₹ 1/- (50%) per equity share of face value of ₹2/- each on the paid-up equity share capital of the Company.

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

The total dividend for FY 21 was at ₹3.50 (175%) per share. The Dividend pay-out ratio stood at 30.2% for FY 20-21.

The Revenue split for FY21 is as under:

Revenue by Client Geography	FY 19-20 % Revenue	FY 20-21 % Revenue
Americas	79.2%	77.3%
Europe	10.7%	13.4%
Rest of the World	10.1%	9.3%
Total	**100.0%**	**100.0%**

Revenue by Industry Practice	FY 19-20 % Revenue	FY 20-21 % Revenue
Banking, Financial Services & Insurance	17.6%	18.1%
Manufacturing	44.7%	41.3%
Energy and Utilities	18.2%	15.1%
Life Sciences	19.4%	25.5%
Total	**100.0%**	**100.0%**

1.4 Enterprise Risk Management (ERM) Framework

Birlasoft has implemented an Enterprise Risk Management (ERM) framework which supports the Directors and the Leadership of the Company in effective decision making. Implementation of effective risk management program is imperative in current environment of volatile global economy and constantly evolving business risks and timely decision making to harness new opportunities. The comprehensive ERM framework is iterative process of continually identifying and assessing the risks that are threatening to Company's sustainability. The Company maintains a Risk Register and implements suitable risk mitigating plans for each key risk identified as part of the framework. Risks are reviewed by the Risk Management Committee periodically.

Please refer to separate section on Enterprise Risk Management in the Annual Report 2020-21 which is available on www.birlasoft.com

1.5 Information about the Subsidiaries

Birlasoft has wholly owned subsidiaries and step-down subsidiaries in the United States of America, Canada, United Kingdom, United Arab Emirates, France, Germany, Malaysia, Brazil and Mexico. It also has branches in Singapore, Poland, Sweden, Switzerland and New Zealand. Further, the subsidiaries of Birlasoft have branches in Australia, the Netherlands, Spain and Slovakia; in order to give it a local presence in the countries where its customers operate, and also to service its customers more efficiently. Local presence has also helped the Company in building a diverse workforce.

1.6 Industry Recognition, Awards & Leadership

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

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

2

Corporate Governance and Management Practices

Corporate Governance and Management Practices

Corporate Governance essentially involves balancing the interests of various stakeholders of the Company such as shareholders, management, customers, suppliers, financiers, government and the community. It entails managing business in a manner that is accountable and responsible to the shareholders.

Corporate Governance implies an accurate, adequate and timely disclosure of relevant information. It includes the processes through which organization's objectives are set and pursued in the context of the social, regulatory and market environment. Efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the business of any organization. The importance of such corporate governance has now become more intensified, owing to ever-growing competition and rivalry in the businesses in almost all economic sectors, both at national and international levels. Therefore, the Companies Act, 2013 [hereinafter referred to as "the Act"], and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "the SEBI (LODR) Regulations, 2015"] have innovative means to make Corporate Governance in India optimally progressive, transparent and beneficial to all the stakeholders.

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

We, at Birlasoft, have been practicing Corporate Governance to ensure transparency in our corporate affairs and are committed to continuously scale up the Corporate Governance standards.

Our Corporate Governance framework has been built on the Company's value system which is as follows:

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

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

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

Our philosophy is aimed at conducting business ethically, efficiently and in a transparent manner based on the following principles:

1. Compliance with the relevant provisions of securities laws and conformity with globally accepted practices of corporate governance, Secretarial Standards provided by the Institute of Company Secretaries of India and laws of India in true spirit;
2. Integrity in financial reporting and timeliness of disclosures;
3. Transparency in the functioning and practices of the Board;
4. Balance between economic and social goals;
5. Equitable treatment and rights of shareholders;
6. Maintenance of ethical culture within and outside the organization;
7. Establishing better risk management framework and risk mitigation measures; and
8. Maintaining independence of auditors.

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

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

2.1 Board Composition

The composition of the Board is decided considering the following criteria:

1. Compliance with statutory and regulatory norms
2. Appropriate mix of independent and non independent directors
3. Entrepreneurship
4. Diversity
5. Industry Experience
6. Specialized knowledge in:
   a. Business Strategy
   b. Global Markets
   c. Technology and Innovation
   d. Financial Management
   e. Accounting
   f. Customer Relationship Management
   g. Investment Banking
   h. Human Resource Management
   I. Operational Excellence
   j. Industries which are the focus areas for the company

The Company has a judicious mix of Executive, Non-Executive and Independent Directors on the Board which is essential to separate the two main Board functions viz. governance and management. Out of the total strength of seven Directors as on March 31, 2021, four are Independent Directors, two are Non-Executive Directors and one is an Executive Director.

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

a) Expertise in legal, finance & accountancy,
b) Technical consultancy,
c) IT business operations,
d) Human resources (stakeholder engagement),
e) Sales & delivery,
f) Risk management,
g) Knowledge of the industry,
h) Leadership,
i) Board service & governance.

There is a constant endeavour to align the core skills/competencies of the Directors with the ongoing trends.

The Independent Directors of the Company are chosen keeping in mind the definition of 'Independent Director' as defined in the SEBI (LODR) Regulations, 2015 and the Act.

Apart from this, the Company has well defined standards for selecting the Independent Directors. The Independent Directors are prominent and distinguished figures from the industry and have an astute knowledge of the industry and business. At Birlasoft, we have renowned personalities as Directors, who are leaders of their field and are truly independent.

The brief profile of the Directors as on March 31, 2021 is as follows:

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

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

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

Mr. Anant Talaulicar holds a B.E. (Mechanical) degree from Mysore University, M.S. (Mechanical) degree from the University of Michigan in Ann Arbor and a MBA from Tulane University, USA. Mr. Anant Talaulicar was a member of the Cummins Inc. global leadership team from August 2009 till October 2017, the Chairman and Managing Director of the Cummins Group in India from March 2004 through October 2017 and the President of the Cummins Inc. Components Group from 2010 through 2014. He has also served as the Managing

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

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

Ms. Nandita Gurjar is a Technologist turned HR professional. Ms. Gurjar's experience in mainstream IT spans software development, general management and consulting. She started her career at Wipro InfoTech in 1992 as a software programmer and handled multiple technical responsibilities, in various functions like Software Coding and Testing, Program documentation and Quality. She joined Infosys Limited in December 1999 to form the Learning & Development wing and set-up the Leadership institute. In 2003, she moved to the newly setup subsidiary Infosys BPO (then called Progeon) to Head the HR function. In 2007, she took over as the Global Head HR for Infosys Group, managing over 150,000 employees. In this role she led the Infosys People strategy and Employer branding across its global footprint. She was appointed as a member of Executive

Council in 2011 and moved to the US Headquarters to manage the globalization initiatives of the organization. In 2013, she moved to head the Education & Research wing of Infosys which skilled the workforce on latest technologies and over saw over 1 million days of training annually. In April 2014, Ms. Gurjar got selected for Advanced Management Program (AMP) at Harvard Business School.

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

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

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

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

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

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

2.2. Board Committees

The Company takes various initiatives to ensure the active participation of the Directors, particularly, the Non-Executive Directors, in the decision-making and review process some of which are given below:

1. All the Board Committees are chaired by Non-Executive/Independent Directors. The Company has the following Committees:
    A. Audit Committee
    B. Nomination and Remuneration Committee
    C. Stakeholders Relationship Committee
    D. Corporate Social Responsibility Committee
    E. Risk Management Committee

2. The Board of Directors have an Annual Strategy Meet to deliberate on the Annual Operating Plans (AOPs), review the status of the plan and set the direction for long range plans.

A. Audit Committee

During the year, the Committee was reconstituted. As on March 31, 2021, the Audit Committee consists of four Independent Directors. Mr. Ashok Kumar Barat is the Chairman of this Committee, and Mr. Anant Talaulicar, Ms. Alka Bharucha and Ms. Nandita Gurjar are the other members. The Committee plays a major role in reviewing and improving internal controls, internal audit function, financial reporting, reviewing the performance of statutory and internal auditors and code of conduct. The role and objectives of the committee include:

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

ii.   recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv.   reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
    b) changes, if any, in accounting policies and practices and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of any related party transactions;
    g) modified opinion(s) in the draft audit report;

v.   reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

vi.   reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. approval or any subsequent modification of transactions of the Company with related parties;

ix.   scrutiny of inter-corporate loans and investments;

x.   valuation of undertakings or assets of the Company, wherever it is necessary;

xi.   evaluation of internal financial controls and risk management systems;

xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. discussion with internal auditors of any significant findings and follow up thereon;

xv.   reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. to review the functioning of the whistle blower mechanism;

xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx.   carrying out any other function as is mentioned in the terms of reference of the audit committee;

xxi. reviewing the utilization of loans and/or advances from/investment by the holding company in the

subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;

xxii. management discussion and analysis of financial condition and results of operations;

xxiii. statement of significant related party transactions (as defined by the audit committee), submitted by management;

xxiv. management letters/letters of internal control weaknesses issued by the statutory auditors;

xxv. internal audit reports relating to internal control weaknesses;

xxvi. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

xxvii. statement of deviations:

    a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);

    b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of two Independent Directors and one Non-Executive Director. Mr. Anant Talaulicar is the Chairman and Mrs. Amita Birla and Ms. Nandita Gurjar are the other members of the Committee. The role and objectives of the Committee include:

I. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

ii. formulation of criteria for evaluation of performance of board of directors, its committees, individual directors and independent directors, to be carried out by the Board/Committee or by an independent

external agency and review its implementation and compliance;

iii. devising a policy on diversity of Board of Directors;

iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

v. decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

vi. recommend to the Board, all remuneration, in whatever form, payable to senior management.

C. Stakeholders Relationship Committee

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

i. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings, etc.;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

iii. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Transfer Agent;

iv. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

D. Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility Committee (CSR) to oversee the discharge of CSR obligations, as required by Section 135 of the Act, and the relevant rules. The Committee consists of three directors including two Independent Directors. Mrs. Amita Birla is the Chairman of the Committee. Ms. Nandita Gurjar and Mr. Anant Talaulicar are the other members of the Committee. The role and objectives of the Committee are:

I. formulation and recommendation of CSR policy to the Board;

ii. identification of activities to be undertaken by the Company;

iii. recommendation of amount of expenditure on CSR activities;

iv. monitor the CSR policy from time to time.

E. Risk Management Committee

The Company has an integrated approach to managing the risks inherent in the various aspects of business. As a part of this approach, the Company's Board is responsible for monitoring risk levels according to various parameters and ensuring implementation of mitigation measures, if required. During the year, the Committee was reconstituted. The members of the Committee as on March 31, 2021, are Mr. Anant Talaulicar, Ms. Alka Bharucha, Mr. Ashok Kumar Barat and Ms. Nandita Gurjar. The role and objective of this Committee are:

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

2.3 Board and Senior Management Compensation

The compensation of the Board is determined in accordance with the following parameters:

*   Legal Considerations:

    This takes into account the maximum limit set out by the Companies Act, 2013 and the rules made thereunder for remunerating Executive and Non-Executive Directors and is primarily based on the profits of the company for the financial year.

*   Best Practices:

    -   Remuneration to Executive Directors consists of a fixed component and a performance-based incentive. These are based on the individual performance of the director and the overall performance of the Company.
    -   Remuneration to Non-Executive Directors is based on the director's chairmanship/membership of the Board Committees, contribution of the Director to the Company's business outside the Board/Committee Meetings and the duration of directorship during the year.

Compensation of Independent Directors is decided based on the following factors:

*   Attendance at Board meetings;
*   Attendance at Board committee meetings;
*   Chairmanship of the Board committees;
*   Contribution at the Board and Committee meetings;
*   Guidance and support provided to senior management of the Company outside the Board meetings;
*   Industry practices;
*   Performance evaluation; and
*   Performance of the Company.

Similarly, compensation of the Senior Management consists of a fixed salary component and variable pay. The variable pay is dependent on the performance of the individual and that of the Company.

2.4 Whistle Blower Policy

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

1. to allow the Directors and employees/contractors/ third-party service providers and other stakeholders to raise concerns about unacceptable improper practices and/or any unethical practices and/or other genuine concerns being followed in the organization and to create awareness amongst employees to report instances of leak of unpublished price sensitive information;
2. to check that whenever any unacceptable/improper practice and/or any unethical practice and/or any instances of leak of unpublished price sensitive information and/or any other genuine concern is reported by a Director or an employee, proper action is taken for such reporting;
3. receipt, retention and treatment of complaints received by the Company regarding improper activities, financial or otherwise, in the Company; and
4. submission by Whistle Blower on a confidential and/or anonymous basis, of concerns regarding improper activities.

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

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

Birlasoft for Innovation

Birlasoft for Innovation

One Innovative Idea. Many Brilliant Solutions. Future Redefined!

As an organization, we are at the forefront of innovation. Over the years, we have regularly developed frameworks to supplement innovative ideas and provide them a platform to be unearthed through new solutions that benefit customers and communities across the world.

With innovation in our DNA, backed by the acumen and prowess of our people, we regularly engage with our stakeholders to ensure that they reap the benefits of their digital investments and our solutions and services help raise each **Enterprise to the Power of Digital**™.

About our Initiatives:

Why?

An innovative company is defined by the focus it places on nurturing creative ideas from its employees. We, at Birlasoft, believe that it is our inherent **Challenger spirit** that allows us to be recipients of concepts that redefine the future.

How?

By leveraging close to three-decades of industry expertise, knowledge-base and organizational values to promote innovation within the organization. We focus on client-specific challenges, using frameworks like design thinking to drive benefits to clients. Our fail-fast approach to evaluate potential options helps optimize the solutions. Involvement by client teams in the process makes it complementary, which is Co-innovation.

About our Innovation Framework

Backed by industry experts, group company collaborations and the urge to excel in this transformational world, Birlasoft for Innovation re-iterates the importance of blending the right tools, technology and various facets of knowledge to devise a framework that allows ideas to flourish.

Digital Kiosks

State-of-the-art centers of excellence that promote learning, upskilling and re-skilling with comprehensive learning modules and industry connects. Drive of certification to benchmark with best-in-class makes all our employees' market-relevant.

Hackathons

A quarterly cadence of streamlined hackathons that encourage quick thinking and swift problem-solving techniques on customer stated/un-stated problems. A yearly hackathon to invite wizards from across India to solve problem statements and get a chance to work with our extended teams.

Digital Experience & Co-innovation Centres (Digital Pods)

Inspired by technology, elevated by design thinking, our Co-innovation and Customer Experience Centres transport stakeholders into the future by using skeletal and live on-screen demos of technologies. These technologies will redefine our future, across industries such as Manufacturing, Life Sciences, Energy and Utilities, and BFSI.

Academia Partnerships and Sponsorships

To strengthen the bond between industry and academia, we partner with renowned educational institutions to collaborate and co-create innovative technologies, solutions, and provide sponsorship towards high-impact solutions which hold potential in growth and scale.

#Xccelerate4Startups

A one-of-a-kind start-up event that provides winners direct access to work with our customer base in solving pressing issues within industries and communities of the world. By leveraging lean and agile processes with new-age expertise, we help to revolutionize technology adoption and create more digital natives. This is one of the best platforms for the start-up ecosystem to interact with business leaders from the CK Birla Group Companies.

Innovation is in our DNA

Our mantra is clear. Co-creating with the best minds can support in supplementing and sustaining the next wave of technology growth and empower lives at each corner of the world.

4 Community Initiatives

4.1 Introduction of BforC (Birlasoft for Community)

Community Service at Birlasoft is guided by the Mission statement - **"Making societies more productive by helping our customers run their business"** and driven by the Philosophy - **"Create. Collaborate. Change."**

Birlasoft believes in the concept of 'Sustainable Development' and seeks to make a positive and sustainable impact to the society through its social programs. Birlasoft further aims to create need based community development model in collaboration with all our stakeholders.

4.2 Thematic area

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

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

4.3 Key initiatives

 Zero crop residue burning

 Focused on creating digitally skilled workforce

 Direction towards education

 Platform to provide volunteering opportunity to the employees

Interventions and Impact

Stubble burning is a common practice in the villages of Punjab and Haryana, the practice is economical and cleans the field completely for sowing of new crops in the month of October-November. This practice has adverse effects on air quality and thereby health .The fact that the time gap to sow new crop is only 15-20 days makes the farmers resort to the burning of crops. To lessen the worries of farmers of Punjab and to lend them a helping hand, Birlasoft initiated a Community Initiative **'Shodhan'**.

Coverage	2017-18	2018-19	2019-20	2020-21
Villages	2	27	21	24
Acreage	1,600	24,600	13,400	16,724
Beneficiaries	2,083	12,210	15,000	18,000

- Conducted awareness sessions and behavioral communication campaigns to mobilize the farmers and their families
- Oriented farmers with new farm machineries which obviate the need for stubble burning through demos and trainings
- Provided machineries and its operating cost to the farmers during the harvest cycle to facilitate the process of clearing residue and preparing the field for new crop

Birlasoft won 'SABERA', Social and Business Enterprise Responsible Award for three consecutive years for SHODHAN

e-VIDYA

IMPACT OF INTERVENTION

- Stubble burning checked in 90% farm area and 5%-7% increase in yield.
- Net water savings estimated to be almost 2.6 billion litres.
- The adoption of sustainable practice improved to almost 95% after the intervention as compare to 9% in 2019.
- 22,560 tonnes of rice straw was avoided from being burnt.
- Avoided Air Quality Impacts: 117 t PM2.5; 143 t VOCs; 83 t NH3; 39 t NOx and 5.8 t.

In the era of digitalization, computer literacy is a life skill. Through our community initiative '**e-vidya**' we have pledged to enable better tomorrow for underprivileged children with improved access to computers and digital learning tools, especially for girls. The framework of the program harnesses the overall development of an individual and grooms the student for a new professional journey. Students are given basic and specialized computer knowledge through experts and are trained on various soft skills.

Target Beneficiaries:
Girl students of classes 9th-12th for digital literacy and specialized courses in IT based technology to undergraduate/ graduate women for job prospects.

Our Differentiator:
The program is managed end-to-end by our employee volunteers' who regularly engage with the students to extend 'Soft Skill Training' and facilitate 'Corporate Exposure'.

Coverage	2018-19	2019-20	2020-21
Beneficiaries	500	400	2,210
Skill	BCC, CCC, Tally	BCC, CCC, Tally	IT based BFSI training for women and exemplar program

IMPACT OF INTERVENTION

- 544 enrolled and 261 trained women trained under BFSI program
- 51% placement recorded with average salary of 8k-10k per month in organizations

SABERA awarded Project e-vidya Certificate of appreciation for the coverage and framework in 2019-20

Project Disha focuses on the education and health of children. The scope of work emphasises infrastructural development of school and co- scholastic development of students. We are also providing scholarship to the students to pursue further studies, teacher's training on soft skills and Digital literacy to enhance quality of education. Project focus on inducing behaviour change through communication, sessions/workshops. We are targeting students from classes I to VlIl for co-scholastic development and senior secondary to graduation for scholarship program.

Program	Coverage
School Adoption	800
Scholarship	310

IMPACT OF INTERVENTION

- Vocational online training to 700 girls
- 100 children received elementary education, basic health and food
- Menstruation hygiene guidance to 300 community women
- Government schools development

Team of volunteers engaged in community initiatives is called 'BforC'. We encourage our employees and their family members to participate in programs and projects

EMPLOYEE DRIVEN INITIATIVES

- **Shram Daan:** Helping the underprivileged students in vocational skill development.
- **Swachatta Abhiyaan:** Cleanliness drive of school and its vicinity.
- **Education for all:** School Kit & Library set up for kids in school.
- **Meal Boxes:** Donation of Meal Box Set for the students.
- **Daan Utsav Mela:** Teams, Family members, friends, individuals, NGO's etc put up the stall of game/food/handmade stuff, etc. for fund raising.
- **Corporate Exposure:** Students from marginalized background were given the exposure of corporate work environment and opportunity to showcase their skills and talents.
- **Secret Santa:** Employees distributed Christmas gifts, woolens, shoes and food to the community in need.
- **Sessions/Workshops:** MH sessions, Skill development and capacity building.
- **Meal First Campaign:** Supported daily wage earners with basic necessities.
- **Virtual Volunteering:** Supported virtual education of children of community.
- **Talent for a cause:** Initiative to support the food of families estranged due to COVID outbreak.

Donated INR 4.0 crore to PM Cares Fund and supported 1600 plus daily wage earners in COVID-19 outbreak

5 Environment Initiatives at Birlasoft

5. Environment Initiatives at Birlasoft

As responsible global corporate citizens we believe that it is our duty to give our future generations a clean, green and sustainable world. Birlasoft's approach being an environment friendly organization is founded on the belief that the interests of our future generations and the society at large is best served by the efficiency of our business operations. We are committed to protecting the environment along with the active involvement of our employees. However, this year, due to COVID-19 pandemic, active involvement of employees was not possible.

Birlasoft has always been concerned for the environment and committed towards employee's health and safety. We have implemented the best practices and are certified with ISO 14001:2015 in the area of Environmental Management and OHSAS 45001:2018 in the area of Occupational Health and Safety.

Birlasoft's state of the art campus at Pune aims at building an environment that nurtures creativity through effective collaboration. The Birlasoft campus is spread across a sprawling 480,000 sq.ft. that comprises three buildings with a combined seating capacity of 4,200+ employees with access to open landscape through the ground floor. The campus design is not only an insignia of Birlasoft's commitment to energy efficiency and sustainable development, but also embodies the spirit of corporate values – boundarylessness, knowledge sharing and team work.

5.1 Birlasoft Green initiatives

Solar Panel Installation

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

Highlights of the project

- Solar system is installed on power purchase model.
- System has 737 panels installed with a generation capacity of 265 kW.
- Total units generated through this plant will be 4 Lac kWh units per annum.
- It will reduce the carbon emission of 335 metric tonnes per annum
- This installation will reduce the impact of direct sunlight on the roof top of cafeteria. The floors below will be much cooler and employees will get more comfort during summers.
- This system is directly connected to the main LT panel feeder, so we will get benefit in reducing the MSEDCL kWh units.

Lightings

Birlasoft is always committed and doing its bit towards environmental conservation. Our maximum use of natural lights through our innovative infrastructure is just one of them. Latest addition to our list is introducing Light Emitting Diodes ("LEDs") in our lighting systems.

LEDs are the latest and most exciting technological advancement in the lighting industry. LEDs are small, solid light bulbs which are extremely energy efficient and long lasting. LED lights generate virtually no heat therefore they are cool to the touch and can be left on for hours without incident or consequence if touched.

Birlasoft has undertaken the initiative of replacing its existing CFL/T5 lamps with LED lights in phased manner (we have ensured to use our existing light fixtures with innovative retrofitting). This shall reduce 60% of lighting load vis-à-vis kWh consumption. Furthermore, the replacement of LED lights will significantly reduce the generation of e-waste.

Landscape and Garden

Birlasoft has always believed in restoring the nature which reflects in our continuous efforts and dedication. We have nurtured, protected, and sustained our green zone for more than a decade. Also, during the difficult times of COVID-19 pandemic, we have taken extra efforts and maintained it.
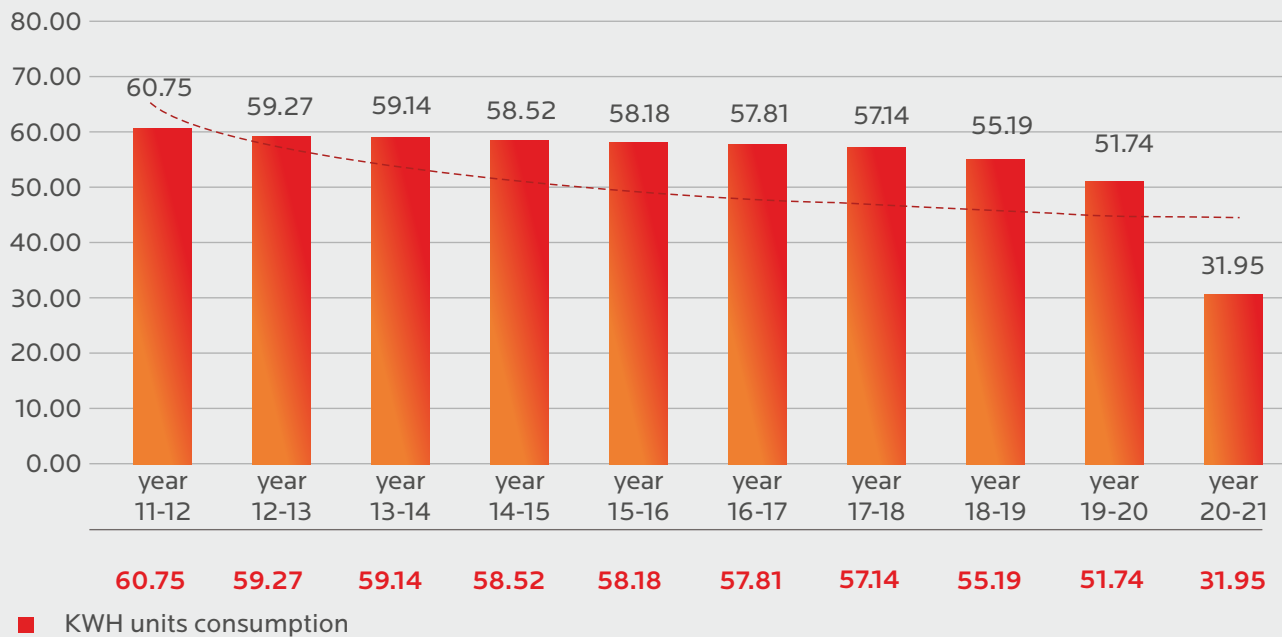

5.2 Power

In the current Indian scenario, conservation of electrical energy has extremely been important for two major reasons:

- Scarcity of power, which is resulting in load shedding in almost all states of India, which is not just inconvenient but also it adversely impacts the economy; and
- India is world's third largest carbon emission country primarily because more than 60% of power is generated by using coal.

As a responsible corporate citizen, Birlasoft has been undertaking various initiatives to reduce the energy consumption that has resulted in significant reduction in kWh units. Due to COVID-19 pandemic, very few employees are working from the office which has reduced the energy consumption by 40%.

KWH units consumption in Lacs

	year 11-12	year 12-13	year 13-14	year 14-15	year 15-16	year 16-17	year 17-18	year 18-19	year 19-20	year 20-21
KWH units consumption	60.75	59.27	59.14	58.52	58.18	57.81	57.14	55.19	51.74	31.95

Power consumption is primarily required for three major areas namely:
- Computers and Servers;
- Air conditioning; and
- Utility.

Power consumption distribution:

- Comp. & Servers
- HVAC
- UTILITY
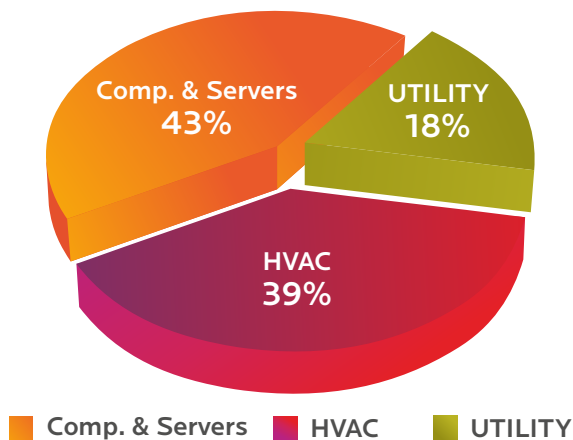
Change in UPS System for Power Efficiency

Birlasoft has invested for changing monolithic UPS to a new technology modular UPS for Hyderabad location this year. This will give us better power efficiency thereby reducing the UPS power consumption by around 10% per annum.
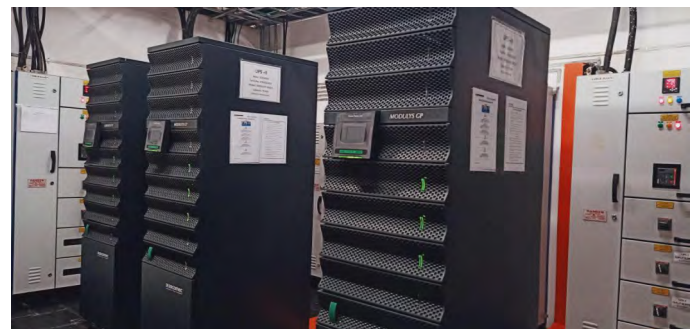
5.3 Projects undertaken for improved efficiency & efficient use of energy

'One Organization - One System'

'One Organization – One System' program was undertaken to merge two system landscapes prevalent after merger and de-merger of Birlasoft and KPIT Technologies Limited. The PeopleSoft system landscape was merged with SAP system landscape resulting in rationalization of applications. Rationalized applications were sunset and the corresponding data & users were migrated to applications running in common system landscape.

System Landscape consolidation project covered:

- Harmonization of processes and policies.
- Rationalization of applications.
- Enhancement of running applications to include unique functionalities of sunset applications.
- Migration of data and users to common system landscape.

Key highlights of the project include:

1. Consolidation of ERP systems to SAP S4HANA. In the process, 3,481 active employees in PeopleSoft were migrated to S4HANA.
2. New harmonized role-grade & stream rolled out across 10,000+ employees. All employee documents consolidated in one document management system.
3. Common single recruitment system resulted in adding 35,000 candidate profiles and 29,000 resumes to comprehensive recruitment database.
4. Uniform management information system across the merged entity was made possible after migrating PeopleSoft accounting to S4HANA Finance module.
5. 240+ projects migrated from PeopleSoft to SAP along with 675+ WBS elements.
6. Usage of Microsoft Dynamics CRM across the organization after migration of data from SFDC to MS Dynamics CRM.

Here are some benefits of One system landscape:

Cost Savings

One of the biggest benefits about single system landscape is that it saves money for years to come. One system landscape also helps spend less on servers and lower licensing costs because of volume discounts.

After 'One System Landscape' program, the custom application development has adopted DevOps methodology to deploy the developments to production environment. It is helping to decrease time to production, increases productivity, efficiency of IT operations as well as hardware utilization thereby saving cost and resource utilization.

Ease of Management

Single system landscape is improving servicing of end user issue tickets and making 'Run the Business' more efficient. The reduced number of applications are allowing to address change requests on timely manner to support 'Change the Business'.

Higher Security

Less number of applications reduces security exposure and allows to attend security prevention activities in efficient and timely manner. For example, granting and removal of access to employees is much easier on single system landscape as compared to two system landscapes.

Reduction in Carbon Footprint

Consolidated, 'One System Landscape' leverages use of Platform as a Service (PaaS) for custom applications development. These applications are microservices based cloud native applications. The PaaS platform allows to scale up and down as per the end user activities thereby reducing overall carbon footprint.

Rationalization of applications and tools resulted in lower number of applications to maintain. So not only did PaaS help us, we have consolidated few applications on SaaS too therefore reducing the footprint in the data center.

One other project Birlasoft took was implementing the Hyper Converged Infrastructure (HCI) for Data Center by consolidating multiple servers into Hyper Converged environment. Objective with HCI has been to replace individual servers where storage, compute etc. are in single box. This led to a smaller footprint in the data center, reduced power consumption, cooling, and less carbon emissions.

We also invested in implementing new energy efficient switches and refreshing the old edge switches compatible with Software Defined Network functionality. Also, it has helped in enhancing the agility, availability and security of our data center environment and keeping Birlasoft abreast with latest technology roadmap.

5.4 Air Conditioning (AC)

Consumes almost 35% of power, which is the highest compared to any other resources. Major investments were carried out for adopting energy efficient VRF technology. The VRF technology, which facilitates local cooling and controls, resulted in considerable savings vis-a-vis a conventional central AC system.

Apart from the basic infrastructure various operational initiatives were undertaken to reduce the consumption such as:

- Grouping of ACs w.r.t project functioning schedules;
- Closely monitoring the AC system during various seasons, by operating the system w.r.t ambient temperature which resulted in approx. 30% reduction in electrical consumption;
- Optimized on fresh air intake which reduces heat load on air conditioning system; and
- Installed AC remote controls in every cabin near the exit door to reduce unwanted usage of AC.

5.5 Lighting

Apart from using natural lighting, steps were undertaken to reduce power requirement for artificial lighting. These are:

- Motion sensors installed to automatically switch OFF lights whenever not in use.
- Solar streetlights installed along the perimeter road.
- Timers installed to control switching on/off streetlight.
- LED lighting has been installed in the building whereby the existing wattage of 56 for a normal T-5 lamp was reduced to 18/20W of LED giving the same results however, reducing 75% lighting load vis-à-vis kWh consumption.

5.6 Water

Water is required and used only for domestic purpose but is still the second largest natural resource consumed by Birlasoft. Therefore, investments were made to reduce freshwater consumption by setting up a Sewage Treatment Plant (STP). 60% of the water gets treated through STP and is recycled & used for gardening purposes. Apart from recycling of water, several other initiatives are also undertaken to reduce consumption of fresh water such as:

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

5.7 Waste Management

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

E-Waste Management

Being an IT company, Birlasoft has been keeping a pace with latest technology trends to keep a close track on all electronic equipment's which have completed their useful life or have become end of life. Last year as well, Birlasoft identified equipment's for disposal which were end of life or not supporting latest technology requirements. These equipment's includes laptops, computers, servers, network equipment's, monitors etc. which were considered for e-waste disposal as per defined guidelines. Further, waste generated like electrical wires, lamps, switches etc. adhered the e-waste guidelines.

Birlasoft's e-waste management procedure is the defining guidelines for handling all such types of e-waste and complying with Governments and Maharashtra Pollution Control Board (MPCB) guidelines. Disposal of generated E-waste will be done through government authorized handlers/recyclers.

Hazardous Waste

Hazardous wastes are disposed-off through authorized agencies as per the guidelines of MOEF (Ministry of Environment and Forests). Additionally, all used printer cartridges are sent back to manufacturers and manufactures recycles/disposed-off as per government guidelines.

5.8 Electric Vehicle

As a step towards contribution to a Greener environment and in line with Birlasoft's commitment to environmental sustainability, we have introduced electric vehicles into our transportation fleet in partnership with an industry pioneer in this domain. We have been one of the early adopters in using this technology for day to day transport operations and we look forward to contributing to the environment with this move. Electric Vehicles are environment friendly, have low running costs and pose a reduced risk of breakdowns. Operating electric vehicles will help us to achieve sustainability through reduction in our carbon footprint. To be specific, 10,000 electric KMs per month = 24 MT of CO_2 emissions abated per year, which is equal to growing 360 trees per year. As a pilot run, electric vehicles will be plying in our Bengaluru office. However, as we progress, we shall have these vehicles serving our offices across all locations.

5.9 Environment Awareness Campaigns

Occupational Health and Safety

Birlasoft has always considered its employees as the most valuable asset of the organization. Towards this end, Birlasoft constantly undertakes initiatives to ensure the safety and well-being of its employees at workplace.

Employee Transport and Safety

Birlasoft strongly believes that the safety and security of our employees are intrinsic to its core values. One of the major focus areas from employee safety perspective is commuting to and from office in individual transport or company provided transport.

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

5.10 Employee Awareness Drive at Birlasoft

Birlasoft engages its employee and third-party vendors in various EOHS initiatives held in the organization. The hazard identification and risk assessment are carried out in consultation with relevant stakeholders, employees, and third-party vendors. By considering the pandemic situation we have taken additional following measures for the safety of employees:

- Training session on COVID-19 conducted for all 3rd party staff.
- Display of Awareness posters in common areas (displaying precautionary measures for employees).
- Availability of Hand sanitizer at all main entry/exits and common areas.
- Introduced UV sanitech boxes to disinfect the personal belongings.
- Replacement of regular cleaning agents (R1 & R2) by Oxivir Five16/Virex disinfectant cleaner specifically used for killing Norovirus and Canine Parvovirus.
- Thermal cameras introduced to check body temperatures of everybody entering the premises.
- Sanitization of all offices through professional agency.

- Regular Sanitization of all common touch points like door handles, lifts, meeting rooms, company provided vehicles etc.
- Sanitizations of cabs after every pick and drop. Sensitization of cab drivers on Do's and Don'ts for COVID-19.
- SOP created specifically on COVID-19 preparedness.

Birlasoft organizes seminars and health related programs throughout the year. Some of the events which were observed are as follows:

- Laughter yoga for relaxation of mind.
- Employee assistance program for 24*7 counselling services.
- Check-in and check-out of security escorts for lady employees has been automated to get online records.
- Online Workshop on "Easy Meditation for Busy People".
- Online Interactive Session on Healthy Diet & Lifestyle.

6   Employee Engagement at Birlasoft

6.1 Employee Engagement

Birlasoft employee engagement practices is the behavioural demonstration of our key values and culture. We believe engaged employees are passionately involved and shares the stronger bond with the organization. Besides workplace well-being, we also promote and assist physical, mental, financial and social well-being of the employees and their family members. We engage them in team building activities, ensure occupational health and safety, provide volunteering opportunities for community services, encourage participations in cultural events, celebrations, etc. Understanding the fact "One size doesn't fit all", we have gamut of engagement activities and offerings for our people. Birlasoft have tie-ups with best in class hospitals to ensure timely care to our employees and their family members. Providing conducive work environment is our top priority and going beyond the scores and continuously innovating and redesigning the framework for experiential learning is what matters the most to us. We create happitude among our employees.

6.2 Bcares

Birlasoft supports physical, mental, financial and social wellness for the employees. Well-being at Birlasoft works under the brand of Bcares.

Physical	Mental	Social	Financial	Workplace
Maintaning Healthy and disease free life style	Maintaning balance negative and positive emotions	Connecting with people, develop and nurture positive relationship	Manage current and furure economic life	Supporting required first aid and other occupational safety & health measures

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

- Telemedicine consultation.
- Discounted medicines at branded medical stores.
- Fitness challenges and crash courses on fitness.
- Employee assistance program for 24*7 counselling services.
- Occupational health centre.
- Empanelled dietician and general physician.
- Webinars/workshops on physical, emotional and mental well-being of employees.
- Health assessments.
- Virtual Isometric and yoga sessions.
- Sanitization of facilities.
- Regular communication and connect with employees through advisory.
- COVID-19 training on safety measures and awareness.
- Health awareness sessions for women.
- Life skill training like CPR and AED.
- Wellness hour.
- Financial guidance on savings and investments.
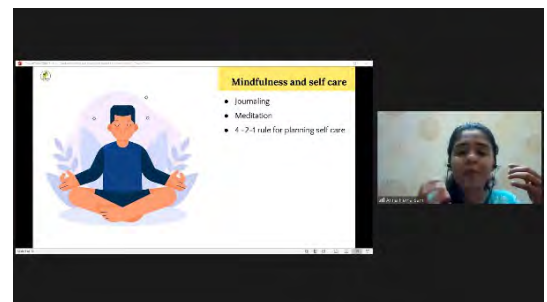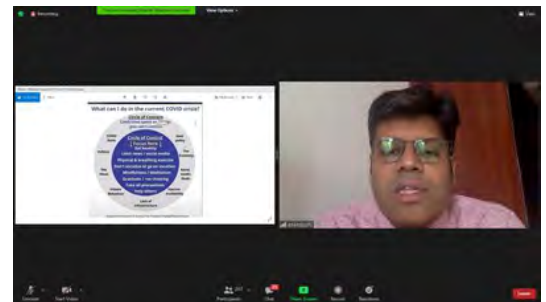
6.3 BEngaged

Birlasoft provides engaging and innovative activities to bring in vibrancy and positive energy in work. Fun-at-the-workplace in Birlasoft works under the brand of BEngaged. To bring in the culture of motivation, collaboration & vibrancy in the organization activities were undertaken virtually for employees working from home due to COVID-19 Pandemic. Some of the activities are:

- **Fun Friday:** Engagement activities adopted virtual mode during COVID-19 lockdown and every Friday team experience great fun hours.

- **Talent hunt and tribes:** Birlasoft Got Talent is the yearly celebration which provides platform to the employees to showcase talent and interest. Employees and their family members wholeheartedly participate in the event and exhibit their talent in singing, dancing, theatre, music, etc.

- **Celebrations:** Various cultural, patriotic, special days are celebrated with employees to bring in the happiness and joy amongst the employees viz. Republic and Independence Day, Father's Day, Mother's Day, Women's Day, Earth Day etc. The activities on these occasions are planned to bring in lot of enthusiasm and positive energy amongst the employees, we also involve family members in these events.

- **Games and tournaments:** To encourage sportsmanship virtual quizzes, games and competitions, etc. are organized for the employees throughout the year.

- **Family engagement:** We encourage family members of the employees to participate in the activities specially designed for the purpose like family quiz, twinning with mother, kids summer camp, etc.

- **Team Building Activities:** Team cohesiveness can be strengthen through informal connects. Inter-functional team members are connected through various engagement initiatives like talks, team challenges, etc.

- **Campaigns and Drives:** Various engaging initiatives on community social development are part of engagement calendar like Joy of Giving, Donation drives, Talent-for-a-cause, Play-for-a-cause, etc.

- **Virtual and offsite engagement:** Employees are encouraged to stay connected beyond work through offsite get together.

- **Brand Store:** Employees are provided exclusive corporate discounts on premium brands.
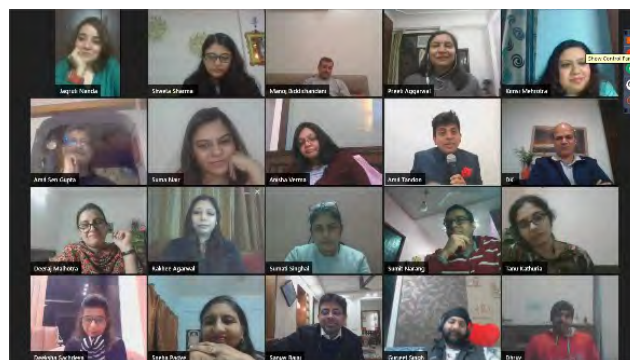
6.4 Talent Acquisition

Birlasoft continues to deliver across geographies, supplemented by our focused hiring teams in India and overseas that manage the Company's Talent Acquisition ("TA") strategy. Our hiring involves recruiting the right talent in line with our core values and key behavioral attributes.

We believe in being an equal opportunity employer and our hiring process, at all levels, is based strictly on merit. Our hiring teams always look at every resource with an intent of matching them with a role that fits them well. In case improvements are needed in potential hires, internal training and development programs are in place.

There has been some significant change management and initiatives which were taken up this year in TA, to bring in more momentum and alignment of the team was done to fulfill demand of multiple business units:

1. **TA Re-Structuring -** The centralized TA team was structured in a way to fulfill the demands coming for Project Hiring, Staffing requirements from Customer and Campus Hiring.

2. **HBU/VBU Focused Hiring -** The Teams within were then aligned to HBUs/VBUs from where there was continuous demand and fulfillment was tracked through weekly cadence calls and by providing hiring reports to the business leaders. This helped to monitor the fulfillment closely and the TA team ensured to work with the business to ensure smooth hiring.

3. **Predictability and Operational Efficiency -** Best Estimate Model was introduced by the corporate operations group through which recruitment effort was brought in line with revenue prediction by the business unit. The systems and processes were upgraded to bring in the rigor and effectiveness of business alignment. To best utilize the internal resources, we have evolved our resourcing function through several processes and systems that include job rotation, reskilling and career planning etc. This ensures maximum opportunity to our employees to adapt to newer roles and make advances in their career as per their interest and performance. Our hiring is done through a number of sources, depending on the criticality of the requirement.

4. **Global TA Reports and system enhancements-** Enabled through digital interventions and system enhancements for real time tracking and status update. The robust reporting system which was set up last year helped bring in more transparency and relevant reports that were presented to the business leaders in various forums.

5. **TA Initiatives for improved efficiency -** Introduced a series of initiatives to improvise few basic aspects in order to be an "Employer of Choice". Moving towards having a better connect with the external audience through various platforms:
   • Lateral Candidate Engagement - Which helps decrease our decline ratio and improves the overall joining with the organization.
   • Alumni Re-Hiring - We could reach out to our alumni group and reconnect on their interest in joining us back. Few were keen and have joined us too.
   • AI Based Tool for Hiring - To Improve the efficiency of the team, we have also gone ahead with a AI Based screening tool which will be implemented soon and will help in saving a lot of time of recruiters and focus their time on more productive activities.
   • MoU was signed for campus hiring to strengthen our relationship with the Institutes.
   • Branding initiatives were taken up on Glassdoor, LinkedIn and Career website page to position Birlasoft brand to prospective hires.
   • We had lot of training programs to improve the effectiveness of the TA team.
   • We are also working on automating some of the other areas in TA team to have reports that can help in analysis and focus on improvement.

6. **Escalation mechanism** built in and let known to all for speedier and faster issue resolution.

7. **The Recruitment channel** had a balanced mix of laterals versus campus recruits which forms an important parameter of our recruitment strategy.

With our vast array of career opportunities and development programs, we help our new recruits and interns discover their potential and develop business knowledge and technological expertise.

6.5 Rewards & Recognition

We at Birlasoft strongly believe in the culture of appreciation and recognition. Birlasoft has a formal Recognition Program for all our employees across the globe called **STAR (Special Thanks and Recognition)** with the tagline "Keep Shining", which is designed to provide a token of appreciation to individual or team whose performance is outstanding and who contribute to the overall success of the organization.

We recognize and reward associates individually and in groups who accomplish various milestones, deliverables, targets beyond their normal work expectations and also live up to core values of Birlasoft. STAR is a performance driven program which empowers managers and leaders to simply provide a pat-on-the-back to praiseworthy employees. Through this we recognize individual and team contributions in various areas such as great VOC form customers internal/external, exceptional contribution, going above and beyond the call of duty. The key highlight of STAR is making instant and social recognition possible with no hierarchy for approvals kept in place.

Our Priorities Going Forward

- Our growing relationships and partnerships with platform providers are helping us structure transformational, multi-services and long-term deals. In addition, we will continue to make strategic investments to develop platforms for core industry processes of our customers where the need for digitalization is much higher and in addition offer them the *servitization* model to enable an outcome-based and faster transformation.

- We will continue to focus on our top accounts through cross-sell and persevere in increasing our annuity business. By leveraging outcome-based deal constructs and building capabilities across verticals, we aim to build and grow a healthy pipeline.

- Focussing on micro verticals will be a critical area of growth for us. This will entail investments in building significant domain and technology capabilities to be positioned as a dominant player in these specific segments.

- Operational rigor will always be a business imperative and we will strive to keep improving the metrics on all parameters.

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