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Financials of Subsidiaries
FY 2023-24

Birlasoft Limited – Financials of Subsidiaries FY 2023-24

1. Birlasoft (UK) Limited
2. Birlasoft Solutions Limited
3. Birlasoft Solutions France
4. Birlasoft Solutions GmbH
5. Birlasoft Solutions Inc.
6. Birlasoft Consulting, Inc.
7. Birlasoft Solutions Mexico S.A. DE C.V
8. Birlasoft Solutions Ltda.
9. Birlasoft Inc.
10. Birlasoft Computer Corporation
11. Birlasoft Technologies Canada Corporation
12. Birlasoft Sdn. Bhd.
13. Birlasoft Solutions ME FZE

ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024

BIRLASOFT (UK) LIMITED

BIRLASOFT (UK) LIMITED

COMPANY INFORMATION

Directors	A Birla C K Birla S S Kejriwal A K Ladha
Company secretary	A Satija
Registered number	03266933
Registered office	4th Floor 53-54 Grosvenor Street London W1K 3HU
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

BIRLASOFT (UK) LIMITED

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BIRLASOFT (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Introduction

The directors present their strategic report for the year ended 31 March 2024.

Business review

The revenue for the year amounted to £16,050,566 (2023 - £13,889,593).

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

There is an net increase in the revenue due to addition of work in the existing customers and closure of few projects. 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. The 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

The 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.

BIRLASOFT (UK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

This report was approved by the board and signed on its behalf.

S S Kejriwal
Director

Date: 26th Apr 24

BIRLASOFT (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £676,458 (2023 - profit £590,484).

No dividends were declared in the year (2023 - £NIL) and the directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

A Birla
C K Birla
S S Kejriwal
A K Ladha

Future developments

We are looking for growth of 15 -16% in coming year. We are working on various partnership, branding and adding more headcount in sales team in order to grow the existing business and acquisition of new customers. We have hired a CEO for ROW region with the view of greater focus in the UK & Europe region.

BIRLASOFT (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

S S Kejriwal
Director

Date: 26th Apr 24

INDEPENDENT AUDITORS' REPORT 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 2024, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 2024 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 United Kingdom, including the Financial Reporting Council'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.

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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRLASOFT (UK) LIMITED (CONTINUED)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report 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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 3, 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 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRLASOFT (UK) LIMITED (CONTINUED)

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation; and
- UK tax legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud would be the use of management override of controls to manipulate results, or to cause the company to enter into transactions not in its best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRLASOFT (UK) LIMITED (CONTINUED)

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 an Auditors' report 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.

Sarah Hallam FCCA (Senior statutory auditor)
for and on behalf of

Menzies LLP
Chartered Accountants
Statutory Auditor
Lynton House
7-12 Tavistock Square
London
WC1H 9LT
Date: 27-Apr-2024

BIRLASOFT (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Turnover	4	16,050,566	13,889,593
Cost of sales		(13,513,750)	(11,234,891)
Gross profit		2,536,816	2,654,702
Administrative expenses		(3,170,527)	(1,913,990)
Operating (loss)/profit	5	(633,711)	740,712
Interest receivable and similar income		2,808	-
(Loss)/profit before tax		(630,903)	740,712
Tax on (loss)/profit	10	(45,555)	(150,228)
(Loss)/profit for the financial year		(676,458)	590,484
Other comprehensive income for the year			
Currency translation differences		12,690	16,759
Other comprehensive income for the year		12,690	16,759
Total comprehensive income for the year		(663,768)	607,243

The notes on pages 12 to 24 form part of these financial statements.

BIRLASOFT (UK) LIMITED
REGISTERED NUMBER:03266933

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Leasehold Assets under Construction		204,581	-
Other Tangible Fixed Assets	12	46,043	25,306
Total Tangible Fixed Assets		250,624	25,306
Current assets			
Debtors: amounts falling due within one year	13	4,463,465	4,407,554
Cash at bank and in hand	14	3,070,891	1,857,491
		7,534,356	6,265,045
Creditors: amounts falling due within one year	15	(6,218,395)	(4,059,998)
Net current assets		1,315,961	2,205,047
Total assets less current liabilities		1,566,585	2,230,353
Net assets		1,566,585	2,230,353
Capital and reserves			
Called up share capital	16	150,000	150,000
Profit and loss account	17	1,416,585	2,080,353
		1,566,585	2,230,353

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S S Kejriwal
 Director
 Date: 26th Apr 24

The notes on pages 12 to 24 form part of these financial statements.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General 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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Birlasoft Limited India as at 31 March 2024 and these financial statements may be obtained from Birlasoft Limited India, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057, Maharashtra, India.

2.3 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.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

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 and 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

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Leasehold assets under construction

Leasehold assets under construction relate to an office refurbishment that is ongoing at the year end and are recognised under the cost model at historic cost.

No depreciation has been recognised as the assets have not yet been brought into use. Depreciation will be recognised over the lease term once the assets are brought into use.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 4 years
Computer equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Judgments in applying accounting policies 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.

4. Turnover

The whole of the turnover is attributable to the principal activity, specialised computer-related consulting and custom programming solutions.

Analysis of turnover by country of destination:

	2024	2023
	£	£
United Kingdom	12,721,189	10,040,933
Rest of the world	3,329,377	3,848,660
	16,050,566	13,889,593

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Operating (loss)/profit

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

	2024 £	2023 £
Exchange differences	156,795	(162,648)
Other operating lease rentals	76,280	47,408
	<u>233,075</u>	<u>(115,240)</u>

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2024 £	2023 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	12,150	11,000

Fees payable to the Company's auditors for other services were £3,850 (2023 - £7,511).

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2024 £	2023 £
Wages and salaries	3,167,659	2,759,473
Social security costs	389,292	227,355
Cost of defined contribution scheme	77,403	58,642
	<u>3,634,354</u>	<u>3,045,470</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Administrative Staff	15	13
Consultants	15	15
	<u>30</u>	<u>28</u>

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	84,094	75,000
	<u>84,094</u>	<u>75,000</u>

9. Interest receivable

	2024 £	2023 £
Other interest receivable	2,808	-
	<u>2,808</u>	<u>-</u>

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	22,332	154,560
Adjustments in respect of previous periods	23,223	(4,332)
Total current tax	<u>45,555</u>	<u>150,228</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on (loss)/profit	<u>45,555</u>	<u>150,228</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
(Loss)/profit on ordinary activities before tax	<u>(630,903)</u>	<u>740,712</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	<u>(157,726)</u>	<u>140,735</u>
Effects of:		
Expenses not deductible for tax purposes	65,803	16,582
Capital allowances for year in excess of depreciation	(5,237)	(2,757)
Higher rate taxes on overseas earnings	-	(4,332)
Adjustments to tax charge in respect of prior periods	23,223	-
Unrelieved tax losses carried forward	97,160	-
Foreign tax charge	22,332	-
Total tax charge for the year	<u>45,555</u>	<u>150,228</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. Leasehold assets under construction

	2024 £	2023 £
Office refurbishment works	204,581	-
	<u>204,581</u>	<u>-</u>

12. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2023	46,824
Additions	32,619
Disposals	(11,487)
At 31 March 2024	<u>67,956</u>
Depreciation	
At 1 April 2023	21,518
Charge for the year on owned assets	11,882
Disposals	(11,487)
At 31 March 2024	<u>21,913</u>
Net book value	
At 31 March 2024	<u>46,043</u>
<i>At 31 March 2023</i>	<u>25,306</u>

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. Debtors

	2024 £	2023 £
Trade debtors	1,496,513	2,570,579
Amounts owed by group undertakings	1,367,680	968,770
Other debtors	76,665	111
Prepayments and accrued income	1,377,365	798,076
Tax recoverable	145,242	70,018
	<u>4,463,465</u>	<u>4,407,554</u>

14. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	3,070,891	1,857,491
	<u>3,070,891</u>	<u>1,857,491</u>

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	11,032	4,313
Amounts owed to group undertakings	4,458,928	3,312,291
Other taxation and social security	879,648	370,094
Other creditors	1,219	29,711
Accruals and deferred income	867,568	343,589
	<u>6,218,395</u>	<u>4,059,998</u>

16. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
150,000 (2023 - 150,000) Ordinary shares of £1.00 each	<u>150,000</u>	<u>150,000</u>

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

18. Share-based payments

The Board of Directors and the shareholders of the parent Company approved a Employee Stock Option Plan at their meeting in February 2019. Pursuant to this approval, the parent Company instituted ESOP 2019 Plan in February 2019. The compensation committee of the parent Company administers this Plan. Each option carries with it the right to purchase one equity share of the parent Company. The Options have been granted to employees of the Company at an exercise price that is not less than the face value of shares as on date of grant of such option. The options shall vest not earlier than minimum period of 1 year and not later than maximum period of 3 years from the date of grant. The vesting of the options is 30%, 30% and 40% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 4 years from the date of vesting.

The Board of Directors and the shareholders of the parent Company approved Birlasoft Share Incentive Plan 2022 ("SIP 2022") at their meetings held on 23 May 2022 and 3 August 2022. The Nomination and Remuneration Committee of the Board of Directors of the parent Company ("the NRC") implements and administers this SIP 2022 Plan. Each Performance Stock Unit ("PSU") / Restricted Stock Unit ("RSU") collectively referred to as "Awards" carries with it the right to be converted into one equity share of the parent Company. The PSUs/RSUs have been granted to employees of the Company at an exercise price that is not less than the face value of shares as on date of grant of Awards. The vesting criteria of the Awards is determined by the NRC and is provided to employee in the Letter of Grant. The maximum exercise period is 4 years from the date of vesting.

	Weighted average exercise price (pence) 2024	Number 2024	<i>Weighted average exercise price (pence) 2023</i>	<i>Number 2023</i>
Outstanding at the beginning of the year	2	99,000	2	90,000
Granted during the year	2	418,000	2	9,000
Outstanding at the end of the year	2	517,000	2	99,000

The share option expense for the year is disclosed below.

	2024	2023
	£	£
Equity-settled schemes	251,413	79,645
	251,413	79,645

19. Capital commitments

During the year, the Company entered into a capital commitment agreement to the sum of £558,224 for the design and construction of the fit out work in respect of the UK office. The work was ongoing at the year end and costs of £204,581 were incurred during the year, leaving a capital commitment of £353,643 outstanding at 31 March 2024.

BIRLASOFT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £77,403 (2023 - £58,642).

21. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	7,000	-
	<u>7,000</u>	<u>-</u>

22. Related party transactions

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.

23. 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.

BIRLASOFT (UK) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover	16,050,566	13,889,593
Cost of sales	(13,513,750)	(11,234,891)
Gross profit	2,536,816	2,654,702
Gross profit %	15.8 %	19.1 %
Less: overheads		
Administration expenses	(3,170,527)	(1,913,990)
Operating (loss)/profit	(633,711)	740,712
Interest receivable	2,808	-
Tax on (loss)/profit on ordinary activities	(45,555)	(150,228)
(Loss)/Profit for the year	(676,458)	590,484

BIRLASOFT (UK) LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover		
Sales - Domestic	12,721,189	10,040,933
Sales - Rest of world	3,329,377	3,848,660
	<u>16,050,566</u>	<u>13,889,593</u>

	2024 £	2023 £
Cost of sales		
Purchases	10,362,055	9,157,540
Other direct costs	1,018,951	130,689
Wages and salaries	1,707,178	1,584,897
National insurance	215,527	93,975
Pension costs	42,853	21,484
Subcontract labour	167,186	246,306
	<u>13,513,750</u>	<u>11,234,891</u>

BIRLASOFT (UK) LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Administration expenses		
Directors salaries	84,094	75,000
Directors national insurance	-	9,575
Staff salaries	1,376,387	1,099,576
Staff private health insurance	17,604	8,777
Staff national insurance	173,765	123,805
Staff pension costs	34,550	37,158
Staff welfare	24,885	166
Entertainment	17,806	10,250
Hotels, travel and subsistence	388,955	193,594
Printing and stationery	3,613	3,811
Telephone and fax	33,186	34,310
General office expenses	149,377	5,560
Advertising and promotion	25,428	20,313
Legal and professional	96,599	90,672
Auditors' remuneration	16,300	18,511
Bank charges	(2,267)	28,780
Bad debts	3,286	10,238
Difference on foreign exchange	156,795	(162,648)
Rent	76,280	47,408
Insurances	23,570	10,367
Repairs and maintenance	209	2,454
Depreciation	11,882	7,357
Profit/loss on sale of tangible assets	-	3,481
Recruitment	206,810	155,830
ESOP expenses	251,413	79,645
	<u>3,170,527</u>	<u>1,913,990</u>
	2024 £	2023 £
Interest receivable		
Bank interest receivable	2,808	-
	<u>2,808</u>	<u>-</u>

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2024

BIRLASOFT SOLUTIONS
LIMITED

BIRLASOFT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	A A Guha S S Kejriwal K Shah S Kulkarni (resigned 23 June 2023)
Company secretary	A Satija
Registered number	11317680
Registered office	4th Floor 53-54 Grosvenor Street London W1K 3HU
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

BIRLASOFT SOLUTIONS LIMITED

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BIRLASOFT SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Introduction

The directors present their strategic report for the year ended 31 March 2024.

Business review

There is a slight decrease in the revenue, during the current financial year, due to the closure of certain projects with existing customers. We have also added a few new customers during the year which will grow in the coming financial year. 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 an offshore model of delivery and provides solution-based delivery to its clients.

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

	2024	2023
Turnover	£14,549,832	£15,198,791
Gross profit	£959,702	£952,482
As a % of sales	6.60%	6.27%
Operating (loss)/profit	(£32,600)	£333,807

Principal risks and uncertainties

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's 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.

This report was approved by the board and signed on its behalf.

S S Kejriwal
Director

Date:

BIRLASOFT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

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.

Results and dividends

The loss for the year, after taxation, amounted to £105,896 (2023 - profit £179,148).

No dividends were declared in the year (2023 - £NIL) and the directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

A A Guha
S S Kejriwal
K Shah
S Kulkarni (resigned 23 June 2023)

Future developments

We are looking for growth of 15 -16% in coming year. We are working on various partnership, branding and adding more headcount in sales team in order to grow the existing business and acquisition of new customers. We have hired a CEO for ROW region with the view of greater focus in the UK and Europe region.

BIRLASOFT SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

S S Kejriwal
Director

Date:

INDEPENDENT AUDITORS' REPORT 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 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 2024 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 United Kingdom, including the Financial Reporting Council'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.

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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRLASOFT SOLUTIONS LIMITED (CONTINUED)

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 2, 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 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRLASOFT SOLUTIONS LIMITED (CONTINUED)

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation; and
- UK tax legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud would be the use of management override of controls to manipulate results, or to cause the company to enter into transactions not in its best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRLASOFT SOLUTIONS LIMITED (CONTINUED)

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 an Auditors' Report 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.

Sarah Hallam FCCA (Senior Statutory Auditor)
for and on behalf of

Menzies LLP
Chartered Accountants
Statutory Auditor
Lynton House
7-12 Tavistock Square
London
WC1H 9LT
Date:

BIRLASOFT SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Turnover	4	14,549,832	15,198,791
Cost of sales		(13,583,984)	(14,246,309)
Gross profit		965,848	952,482
Administrative expenses		(1,001,086)	(653,661)
Other operating income	5	2,638	34,986
Operating (loss)/profit	6	(32,600)	333,807
Interest payable and similar expenses	9	(90,972)	(181,412)
(Loss)/profit before tax		(123,572)	152,395
Tax on (loss)/profit	10	17,676	26,753
(Loss)/profit for the financial year		(105,896)	179,148
Other comprehensive income for the year			
Currency translation differences		2,062	(2,218)
Other comprehensive income for the year		2,062	(2,218)
Total comprehensive income for the year		(103,834)	176,930

The notes on pages 11 to 24 form part of these financial statements.

BIRLASOFT SOLUTIONS LIMITED

REGISTERED NUMBER: 11317680

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	1,519	2,357
Investments	12	8,027,329	8,027,329
		<u>8,028,848</u>	<u>8,029,686</u>
Current assets			
Debtors	13	5,267,238	7,969,486
Cash at bank and in hand	14	3,068,034	1,564,774
		<u>8,335,272</u>	<u>9,534,260</u>
Creditors: amounts falling due within one year	15	(11,277,233)	(9,464,197)
Net current (liabilities)/assets		<u>(2,941,961)</u>	<u>70,063</u>
Total assets less current liabilities		<u>5,086,887</u>	<u>8,099,749</u>
Creditors: amounts falling due after more than one year	16	(2,590,972)	(5,500,000)
Provisions for liabilities			
Deferred tax	17	(597)	(597)
		<u>(597)</u>	<u>(597)</u>
Net assets		<u><u>2,495,318</u></u>	<u><u>2,599,152</u></u>
Capital and reserves			
Called up share capital	18	500,000	500,000
Profit and loss account	19	1,995,318	2,099,152
		<u>2,495,318</u>	<u>2,599,152</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S S Kejriwal
Director

Date:

The notes on pages 11 to 24 form part of these financial statements.

BIRLASOFT SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	500,000	1,922,222	2,422,222
Comprehensive income for the year			
Profit for the year	-	179,148	179,148
Currency translation differences	-	(2,218)	(2,218)
Other comprehensive income for the year	-	(2,218)	(2,218)
Total comprehensive income for the year	-	176,930	176,930
Total transactions with owners	-	-	-
At 1 April 2023	500,000	2,099,152	2,599,152
Comprehensive income for the year			
Loss for the year	-	(105,896)	(105,896)
Currency translation differences	-	2,062	2,062
Other comprehensive income for the year	-	2,062	2,062
Total comprehensive income for the year	-	(103,834)	(103,834)
Total transactions with owners	-	-	-
At 31 March 2024	500,000	1,995,318	2,495,318

The notes on pages 11 to 24 form part of these financial statements.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Birlasoft Limited India as at 31 March 2024 and these financial statements may be obtained from Birlasoft Limited India, 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune - 411057, Maharashtra, India.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 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.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Revenue

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 and 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.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% reducing balance
-----------------------	---	----------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Judgments in applying accounting policies 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.

4. Turnover

The whole of the turnover is attributable to the principal activity, IT enabled services.

Analysis of turnover by country of destination:

	2024 £	2023 £
United Kingdom	11,828,635	11,167,158
Rest of Europe	1,234,674	1,483,734
Rest of the world	1,486,523	2,547,899
	<u>14,549,832</u>	<u>15,198,791</u>

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Other operating income

	2024 £	2023 £
Other operating income	2,638	34,986
	<u>2,638</u>	<u>34,986</u>

6. Operating (loss)/profit

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

	2024 £	2023 £
Exchange differences	44,647	35,860
	<u>44,647</u>	<u>35,860</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2024 £	2023 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	15,650	13,750

Fees payable to the Company's auditors for other services were £3,850 (2023 - £9,899).

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. Employees

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	1,514,042	940,317
Social security costs	72,876	54,311
Cost of defined contribution scheme	6,146	11,649
	<u>1,593,064</u>	<u>1,006,277</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Consultants	10	10
Administration	2	2
	<u>12</u>	<u>12</u>

Directors remuneration for the year ended 31 March 2024 was £NIL (2023 - £NIL).

9. Interest payable and similar expenses

	2024 £	2023 £
Other loan interest payable	-	3,495
Interest payable on loans from group undertakings	90,972	177,917
	<u>90,972</u>	<u>181,412</u>

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	-	29,293
Adjustments in respect of previous periods	(17,676)	(56,046)
Total current tax	<u>(17,676)</u>	<u>(26,753)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
(Loss)/profit on ordinary activities before tax	<u>(123,572)</u>	<u>152,395</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	(30,893)	28,955
Effects of:		
Expenses not deductible for tax purposes	(277)	338
Depreciation for year in excess of capital allowances	210	-
Tax losses available for carry forward	30,960	-
Adjustments to tax charge in respect of prior periods	(17,676)	(56,046)
Total tax charge for the year	<u>(17,676)</u>	<u>(26,753)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 April 2023	7,148
Additions	650
Disposals	(284)
At 31 March 2024	<u>7,514</u>
Depreciation	
At 1 April 2023	4,791
Charge for the year on owned assets	1,488
Disposals	(284)
At 31 March 2024	<u>5,995</u>
Net book value	
At 31 March 2024	<u>1,519</u>
<i>At 31 March 2023</i>	<u>2,357</u>

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2023	8,027,329
At 31 March 2024	<u>8,027,329</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Birlasoft Solutions GmbH	Meisenstr, 96 D - 33607 Bielefeld	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2024 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name
Birlasoft Solutions GmbH

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.

13. Debtors

	2024 £	2023 £
Trade debtors	4,115,672	5,727,810
Amounts owed by group undertakings	24,137	71,950
Other debtors	33,797	18,182
Prepayments and accrued income	962,235	2,074,823
Tax recoverable	131,397	76,721
	<u>5,267,238</u>	<u>7,969,486</u>

Trade debtors includes trade balances due from other group undertakings of £1,562,441 (2023 - £1,487,957).

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	3,068,034	1,564,774
	<u>3,068,034</u>	<u>1,564,774</u>

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	10,363,937	8,700,141
Amounts owed to group undertakings	39,241	-
Other taxation and social security	280,377	403,358
Other creditors	178,011	99,086
Accruals and deferred income	415,667	261,612
	<u>11,277,233</u>	<u>9,464,197</u>

Trade creditors includes trade balances due to other group undertakings of £10,363,937 (2023 - £8,700,141).

16. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Amounts owed to group undertakings	2,590,972	5,500,000
	<u>2,590,972</u>	<u>5,500,000</u>

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. Deferred taxation

	2024
	£
At beginning of year	(597)
At end of year	(597)

The provision for deferred taxation is made up as follows:

	2024	2023
	£	£
Accelerated capital allowances	(597)	(597)
	(597)	(597)

18. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
500,000 (2023 - 500,000) Ordinary shares of £1.00 each	500,000	500,000

19. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,146 (2023 - £11,649).

21. Related party transactions

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.

BIRLASOFT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Controlling party

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

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.

BIRLASOFT SOLUTIONS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover	14,549,832	15,198,791
Cost of sales	(13,583,984)	(14,246,309)
Gross profit	965,848	952,482
Gross profit %	6.6 %	6.3 %
Other operating income	2,638	34,986
Less: overheads		
Administration expenses	(1,001,086)	(653,661)
Operating (loss)/profit	(32,600)	333,807
Interest payable	(90,972)	(181,412)
Tax on (loss)/profit on ordinary activities	17,676	26,753
(Loss)/Profit for the year	(105,896)	179,148

BIRLASOFT SOLUTIONS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover		
Sales - Domestic	11,828,635	11,167,158
Sales - Other EU	1,234,674	1,483,734
Sales - Rest of world	1,486,523	2,547,899
	<u>14,549,832</u>	<u>15,198,791</u>
	2024 £	2023 £
Cost of sales		
Direct manufacturing costs	9,352,939	10,846,245
Wages and salaries	719,990	484,915
National insurance	52,961	41,449
Pension costs	6,146	9,573
Subcontract labour	3,451,948	2,864,127
	<u>13,583,984</u>	<u>14,246,309</u>
	2024 £	2023 £
Other operating income		
Other operating income	2,638	34,986
	<u>2,638</u>	<u>34,986</u>

BIRLASOFT SOLUTIONS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Administration expenses		
Staff salaries	794,052	455,402
Staff national insurance	19,915	12,862
Staff pension costs	-	2,076
Staff welfare	86	48
Hotels, travel and subsistence	55,640	102,180
Postage	727	653
General office expenses	10,295	(21,394)
Advertising and promotion	(1,478)	3,200
Trade subscriptions	3	4,255
Legal and professional	44,239	33,338
Auditors' remuneration	17,800	13,750
Bank charges	3,353	1,734
Bad debts	371	(1,195)
Difference on foreign exchange	44,647	35,860
Sundry expenses	-	2,719
Insurances	4,692	5,196
Repairs and maintenance	5,256	1,191
Depreciation	1,488	1,786
	<u>1,001,086</u>	<u>653,661</u>
	2024 £	2023 £
Interest payable		
Group interest payable	90,972	177,917
Other loan interest payable	-	3,495
	<u>90,972</u>	<u>181,412</u>

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 Eighteenth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2024.

Financial Results

Particulars	2023-24 Euro (Million)	2022-23 Euro (Million)
Total Income	67.89	12.44
Net Profit/(Loss) for the year	3.24	(2.98)

Operations

During the year under review, total income has increased from € 12.44 million to € 67.89 million and correspondingly resulting into net profit of € 3.24 million.

Board of Directors

During the year under review, Ms. Kamini Shah was appointed as Director effective June 26, 2023, in place of Mr. Shreeranganath Kulkarni who resigned as Director effective June 23, 2023. Further, Mr. Angan Guha is the Director on the Board 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. Therefore, the Company appointed Fiduciaire De Gestion Et De Revision Comptable ("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
Birlasoft Solutions France

Bangalore
April 22, 2024

Angan Guha
Director

FIDUCIAIRE DE GESTION ET DE REVISION COMPTABLE

FIGEREC

S.A.R.L. AU CAPITAL DE 70.700 €

SOCIÉTÉ D'EXPERTISE COMPTABLE INSCRITE AU TABLEAU DE L'ORDRE A PARIS ILE DE FRANCE
SOCIÉTÉ DE COMMISSARIAT AUX COMPTES - MEMBRE DE LA COMPAGNIE REGIONALE DE VERSAILLES

**SASU BIRLASOFT SOLUTIONS
FRANCE**

Share capital of 100.000 Euros
Registered office : 19 boulevard Malesherbes
75008 Paris
RCS : Paris 445 203 623

**STATUORY AUDITOR'S REPORT ON THE
FINANCIALS STATEMENT**

Fiscal year ended 31 March 2024

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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, 2024.

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 31st 2024 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 Fraework

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 1^o April 2023 to the date of our report.

3 – Observation

Without undermining the opinion expressed above, we draw your attention to the following points set out in note « Highlights of the year » of the appendix to the annual financial statements.

4 – Justification of assessments

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.

5 – 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.

6 - 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 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.

7 – 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 22nd of april 2024

French original signed by **Olivier BOSSARD**

**Associé gérant - Commissaire aux Comptes FIDUCIAIRE DE GESTION ET DE REVISION
COMPTABLE « FIGEREC »**

Membre de la Compagnie de Versailles

ASSETS	Current year 31/03/2024 (12 months)				Past year 31/03/2023 (12 months)	
	Brut	Depr.& prov.	Net	%	Net	%
Fixed assets						
Other tangible fixed assets	5 909,50	3 404,96	2 504,54	0,04	340 594,76	3,49
Other fixed assets	9 230,80		9 230,80	0,13	9 230,80	0,09
TOTAL (I)	15 140,30	3 404,96	11 735,34	0,17	349 825,56	3,58
Current assets						
Trade and related accounts	1 754 422,68		1 754 422,68	25,37	3 909 827,35	40,02
Other receivables						
. Debtors suppliers	19 037,26		19 037,26	0,28	698 746,24	7,15
. Staff					2 972,45	0,03
. State, profit tax					100,20	0,00
. State, turnover tax	60 659,15		60 659,15	0,88	214 569,41	2,20
. Other					537 945,31	5,51
Investment securities	1 006 200,27		1 006 200,27	14,55	2 002 717,00	20,50
Cash	4 061 181,92		4 061 181,92	58,73	1 855 783,20	18,99
Prepaid expenses	2 091,56		2 091,56	0,03	157 215,48	1,61
TOTAL (II)	6 903 592,84		6 903 592,84	99,83	9 379 876,64	96,00
Charges to be spread over several periods (III)						
Premium for redemption of bonds (IV)					40 897,27	0,42
Unrealized exchange losses (V)						
TOTAL ASSETS (0 à V)	6 918 733,14	3 404,96	6 915 328,18	100,00	9 770 599,47	100,00

BIRLASOFT SOLUTIONS FRANCE
BALANCE SHEET - EQUITY AND LIABILITIES

page 2

Période du 01/04/2023 au 31/03/2024

Présenté en Euros

Edité le 20/04/2024

EQUITY AND LIABILITIES	Current year 31/03/2024 (12 months)	Past year 31/03/2023 (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	2 396 765,11	5 375 097,01
Net income or loss of the tax year	3 237 970,23	-2 978 331,90
TOTAL(I)	5 749 722,66	2 511 752,43
TOTAL(II)		
Provisions for liabilities and charges		
Reserves for contingencies		530 619,27
TOTAL (III)		530 619,27
Loans and debts		
Other financial borrowing and debts		
Trade notes and related accounts payable	153 768,34	1 560 349,43
Tax payable and social liabilities		
. Staff	72 746,55	56 003,93
. Payroll taxes	70 375,71	117 643,36
. State, profit tax	319 513,80	
. State, turnover tax	371 321,82	1 164 745,32
. Other taxes	3 590,00	10 986,73
Other debts	10 212,19	1 951 727,46
Prepaid income	164 077,11	1 866 771,54
TOTAL(IV)	1 165 605,52	6 728 227,77
TOTAL LIABILITIES (I à V)	6 915 328,18	9 770 599,47

Période du 01/04/2023 au 31/03/2024

Présenté en Euros

Edité le 20/04/2024

INCOME STATEMENT	Current year 31/03/2024 (12 months)	Past year 31/03/2023 (12 months)	Variation on 12 months (12 / 12)	%
------------------	---	--	--	---

	France	Export	Total	%	Total	%	Variation	%
Sales of manufactured services	1 876 203,48	1 375 628,56	3 251 832,04	100,00	11 434 261,70	100,00	-8 182 429	
Net turnover	1 876 203,48	1 375 628,56	3 251 832,04	100,00	11 434 261,70	100,00	-8 182 429	

Recaptures on depreciations and reserves, expense transfer	3 520 694,36	108,27	1 003 665,90	8,78	2 517 029	250,78	
Other operating income	17 067,23	0,52	4 360,50	0,04	12 707	291,44	
Total operating income	6 789 593,63	208,79	12 442 288,10	108,82	-5 652 695		
Other purchases and external expenses	2 251 390,36	69,23	9 996 216,96	87,42	-7 744 826	-77,47	
Taxes and assimilated payments	12 964,78	0,40	19 052,64	0,17	-6 088	-31,94	
Salaries and wages expenses	478 649,24	14,72	1 262 073,11	11,04	-783 424	-62,06	
Social security expenses	218 121,49	6,71	472 203,16	4,13	-254 082	-53,80	
Operating allowances on fixed assets : depreciation allowances	34 472,57	1,06	127 843,79	1,12	-93 371	-73,03	
Operating allowances on current assets : reserve allowances			3 030 972,35	26,51	-3 030 972	-100,00	
Operating allowances for contingencies : reserve allowances			489 722,00	4,28	-489 722	-100,00	
Other expenses	3 691,79	0,11	12 016,28	0,11	-8 325	-69,27	
Total operating expenses	2 999 290,23	92,23	15 410 100,29	134,77	-12 410 810		
OPERATING RESULT	3 790 303,40	116,56	-2 967 812,19	-25,95	6 758 115		
Other interest and assimilated income	86 460,81	2,66	2 717,00	0,02	83 743	N/S	
Recaptures on provisions and expense transfer	40 897,27	1,26			40 897	N/S	
Profits on foreign exchange	9 100,78	0,28	55 131,02	0,48	-46 031	-83,48	
Total financial income	136 458,86	4,20	57 848,02	0,51	78 610	135,89	
Financial allowances for depreciations and provisions			40 897,27	0,36	-40 897	-100,00	
Loss on foreign exchange	62 814,88	1,93	27 470,46	0,24	35 344	128,66	
Total financial expenses	62 814,88	1,93	68 367,73	0,60	-5 553	-8,11	
FINANCIAL RESULT	73 643,98	2,26	-10 519,71	-0,08	84 162	800,10	
Ordinary result before tax	3 863 947,38	118,82	-2 978 331,90	-26,04	6 842 278		
Total extraordinary income							
Extraordinary capital losses	306 267,15	9,42			306 267	N/S	
Total extraordinary expenses	306 267,15	9,42			306 267	N/S	
EXTRAORDINARY RESULT	-306 267,15	-9,41			-306 267	N/S	
Income tax	319 710,00	9,83			319 710	N/S	
Total Income	6 926 052,49	212,99	12 500 136,12	109,32	-5 574 084		
Total expenses	3 688 082,26	113,42	15 478 468,02	135,37	-11 790 386		
NET RESULT	3 237 970,23	99,57	-2 978 331,90	-26,04	6 216 301		
			<i>Profit</i>			<i>Loss</i>	

Appendices 2024

In the balance sheet before distribution for the financial year ended 31/03/2024 of which the total is 6 915 328,18 E and to the profit and loss account for the year showing a profit of 3 237 970,23 E, presented in list form.

The financial year has a duration of 12 months, covering the period from 01/04/2023 to 31/03/2024.

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 01/04/2022 to 31/03/2023.

SUMMARY

- 1- HIGHLIGHTS OF THE YEAR
- 2- ACCOUNTING POLICIES AND RULES
 - 2.1 Tangible fixed assets
 - 2.2 Financial fixed assets and marketable securities
 - 2.3 Receivables and payables
- 3- ADDITIONAL INFORMATION RELATING TO THE BALANCE SHEET AND INCOME STATEMENT
 - 3.1 Statement of fixed assets and depreciation
 - 3.2 Maturity of receivables and payables
 - 3.3 Statement of provisions
 - 3.4 Income and credit notes, receivable
 - 3.5 Accrued expenses and credit notes to be established
 - 3.6 Prepaid expenses and income
 - 3.7 Composition of share capital
 - 3.8 Breakdown of net sales
- 4- FINANCIAL LIABILITIES AND OTHER INFORMATION
 - 4.1 Intra-group services
 - 4.2 Fees paid to the Statutory Auditors
 - 4.3 Average number of employees
 - 4.4 Commitments in respect of pensions, retirement and similar commitments
 - 4.5 Revenue Recognition
 - 4.6 Identity of the parent company consolidation the company's accounts

1. HIGHLIGHTS OF THE YEAR

Last fiscal year, a customer, member of an international group filed a voluntary Chapter 11 reorganization with the United States Bankruptcy Court.

As such, provisions were recorded in the accounts as of March 31, 2023 for an amount of 478.722 euros for provision for risks and charges, 3.030.972 euros for provision for doubtful customer and 1.678.861 euros in deferred income. The expenses and income are recorded in this financial year and the provisions were reversed.

The net book value of the annulation of the fixed assets of this project for an amount of 306,267 euros appears in the extraordinary result and is offset by the reversal of the provision for risks and charges in the operating result.

Concerning the same project, the company received in the financials ending March 31, 2024 two credit notes from suppliers for a total amount of 1.721.256 euros which was not accrued in the accounts as of March 31, 2023.

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

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 INTAGIBLE 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.

The following decisions have been made regarding the presentation of the annual financial statements :

- Decomposable fixed assets : The company was unable to define decomposable fixed assets, or their decomposition does not have a significant impact
- Non-decomposable fixed assets : Benefitting from tolerance measures, the company has opted to maintain the useful lives for depreciation of non-decomposable assets.

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 to 4 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 CREANCES ET DETTES

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

	Gross value of fixed assets at the beginning of the year	Increases	
		Re-evaluation during the year	Acquisitions, creations, item-to-item transfers
Other intangible assets	23 000		
Office equipment, computers, furniture	578 951		2 650
TOTAL	578 951		2 650
Loans and other financial assets	9 231		
TOTAL	9 231		
GRAND TOTAL	611 182		2 650

	Decreases		Gross value Fixed assets and of the year	Statutory revaluation Original Value end of the year
	By transfer from item to item	By cession or decommissioning		
Other intangible assets		23 000		
Office equipment, computers, furniture		575 694	5 910	5 910
TOTAL		575 691	5 910	5 910
Loans and other financial assets			9 231	9 231
TOTAL			9 231	9 231
GRAND TOTAL		598 691	15 140	15 140

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	238 356	34 473	269 424	3 405
TOTAL	238 356	34 473	269 424	3 405
GRAND TOTAL	261 356	34 473	292 424	3 405

	Breakdown of depreciation charges of the year			Movements affecting the derogatory depreciation	
	Straight-line	Degressive	Exception.	Endowments	Revivals
Office equipment, computers, furniture	34 473				
TOTAL	34 473				
TOTAL GENERAL	34 473				

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	1 754 423	1 754 423	
- V.A.T	60 659	60 659	
Miscellaneous debtors	19 037	19 037	
Prepaid expenses	2 092	2 092	
GRAND TOTAL	1 845 441	1 836 211	9 231

STATE OF DEBTS	Gross amount	Up to one year	Between 1 and 5 year	More than 5 years
Suppliers and related accounts	153 768	153 768		
Personnel and related accounts	72 747	72 747		
Social security and other social agencies	70 376	70 376		
Taxes				
- Corporate tax	319 514	319 514		
- V.A.T	371 322	371 322		
- Other taxes and duties	3 590	3 590		
Other debts	10 212	10 212		
Deferred income	164 077	164 077		
GRAND TOTAL	1 165 606	1 165 606		

3.3 Statement of provisions

STATE OF PROVISIONS	Beginning	Depreciation of the year	Reversal of the year	End of fiscal year
For foreign exchange losses	40 897		40 897	
Other provisions	489 722		489 722	
TOTAL Provisions	530 619		530 619	
On accounts receivable	3 030 972		3 030 972	
TOTAL Dépréciations			3 030 972	
TOTAL GENERAL	3 561 592		3 561 591	
Of wich allocations and reversals :				
- operating			3 520 694	
- financial			40 897	
- exceptional				

The "other provisions" and "on accounts receivable" reversals are corresponding to the end of a contract with a customer which is a member of an international group that has filed a voluntary petition for reorganization under Chapter 11 with the United States Bankruptcy Court on the end of the financial year on 31 March 2023.

3.4 Income and credit notes receivable

Amount of income and assets receivable included in the following balance sheet items	Amount incl. VAT
RECEIVABLES	
Trade receivables and related accounts	329 162
AVAILABILITIES	6 200
TOTAL	335 362

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	18 914
Tax and social security liabilities	110 259
TOTAL	129 174

3.6 Prepaid expenses and income

	Charges	Products
Operating expenses / Income	2 092	164 077
TOTAL	2 092	164 077

3.7 Composition of share capital

	Number	Nominal value
Share 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	3 251 832
TOTAL	3 251 832

Breakdown by geaographic market	Amount
France	1 876 203
Foreign	1 375 629
TOTAL	3 251 832

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 8,100€ excluding VAT in respect of their legal assignment.

4.3 *Average number of employees*

	Salaried employees	Personnel made available to the company
Executives	6	
TOTAL	6	

4.4 *Commitments in respect of pensions, retirement and similar commitments*

COMMITMENTS	Senior staff	Others	Provisions
Retirement indemnities and other benefits for active employees		16 687	
TOTAL		16 687	

They are calculated on the basis of the "Syntec" collective bargaining agreement, changes in remuneration and demographics at 31 March 2024 with a discount rate of 3.4%, 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 Managing Director is pleased to present herewith the report of the Director(s) on the operations of the Company together with the accounts for the financial year ended on March 31, 2024.

Financial Results

Particulars	2023- 24 (EURO) Million	2022- 23 (EURO) Million
Total Income	5.48	6.29
Net Profit for the period	0.13	0.29

Operations

During the year under review, the total income of the Company has decreased from € 6.29 million to € 5.48 million which resulting in net profit of € 0.13 million.

Directors

During the year, there was no change in the management. Mr. Ashish Satija is the Managing Director 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
Birlasoft Solutions GmbH

London
April 26, 2024

Ashish Satija
Managing Director

TRANSLATION

Preparation Report

Annual Financial Statements
as of 31 March 2024

of
Birlasoft Solutions GmbH
Bielefeld

TRANSLATION

Preparation Report
Annual Financial Statements
as of 31 March 2024

of
Birlasoft Solutions GmbH
Bielefeld

The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ISARTAX GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

München

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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 GmbH" or "company" -

engaged us to prepare the annual financial statements as at 31 March 2024 on the basis of the accounting records that we prepared, as well as the additional vouchers and inventory records 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 accordance with the statutory requirements and in accordance with the instructions by the client within this framework to exercise existing accounting options. We performed this engagement to prepare the annual financial statements with no assessments in April 2024 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 auditing company.

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 presentation options) and of management judgement.

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 – German 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 records and the inventory records 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 engagement, we have reported on the scope and results of our activities in accordance with customary professional

standards within the meaning of the *IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen* (IDW S7 (03.2021) - Principles for the Preparation of Annual Financial Statements) adopted by the Auditing and Accounting Board (HFA) on 27 November 2009.

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

General Engagement Terms

The *Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften* (General Engagement Terms for auditors and audit firms) attached to this report are decisive for the realisation of the engagement 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 complied with the relevant standards of the *Wirtschaftsprüferordnung* (WPO - German Public Auditors Act) and our professional obligations, including the principles of independence, diligence, confidentiality, personal professional responsibility and objectivity (§ 43 (1) of the WPO).

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 and the inventory records as well as the information obtained by us on the accounting policies to be applied, including preparation of the closing entries.

In addition, 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 complied with the statutory provisions for the preparation 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 outside 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 February 2023, the DATEV eG “Kanzlei-Rechnungswesen” accounting software used for this purpose 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 February 2023 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 management and the employees nominated as information providers.

2.2 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 February 2023, the DATEV eG, Nuremberg, “Kanzlei-Rechnungswesen” accounting software used for this purpose satisfies the requirements for proper financial accounting and preparation of the annual financial statements.

We agreed any entries arising during the course of our annual financial statement preparation with the management 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.

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
Name in commercial register:	Birlasoft Solutions GmbH
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 EUR
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:	no significant changes

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 2021 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 2024 is shown in the following compared with the previous balance sheet date:

	Balance at 31/03/2024		Balance at 31/03/2023		Changes in comp. to prior year	
	TEUR	%	TEUR	%	TEUR	%
ASSETS						
Intangible fixed assets	0.0	0.0	0.4	0.0	-0.4	-100.0
Tangible fixed assets	1.0	0.0	2.2	0.1	-1.2	-54.5
Inventories	131.8	3.6	264.8	7.8	-133.0	-50.2
Receivables	1,881.1	51.5	1,881.2	55.1	-0.1	-0.0
Other assets	103.6	2.8	95.5	2.8	8.1	8.5
Cash funds/securities	1,496.0	41.0	1,116.9	32.7	379.1	33.9
Prepaid expenses	39.6	1.1	12.2	0.4	27.4	224.6
Deficit not covered by equity	0.0	0.0	40.1	1.2	-40.1	-100.0
Total Assets	3,653.2	100.0	3,413.3	100.0	239.9	7.0

	Balance at 31/03/2024		Balance at 31/03/2023		Changes in comp. to prior year	
	TEUR	%	TEUR	%	TEUR	%
TOTAL EQUITY AND LIABILITIES						
Equity	89.8	2.5	0.0	0.0	89.8	-
Liabilities to financial institutions	218.2	6.0	239.9	7.0	-21.7	-9.0
Liabilities on bills accepted or drawn	346.9	9.5	292.9	8.6	54.0	18.4
Liabilities from funding	2,542.4	69.6	2,602.2	76.2	-59.8	-2.3
Other Liabilities	456.0	12.5	278.3	8.2	177.7	63.9
Total Liabilities	3,653.2	100.0	3,413.3	100.0	239.9	7.0

Supplementary information on asset and capital structure ratios:

	EUR	Fiscal Year Value	Previous Year Value
Key figures on the net assets			
<u>Equity</u>	89,774.91		-40,056.23
Balance sheet total	3,653,215.79		3,373,225.32
Equity ratio (%)		2	-1
<u>Trade payables</u>	47,472.35		97.69
Balance sheet total	3,653,215.79		3,373,225.32
Trade accounts payable (in %)		1	0
<u>Equity</u>	89,774.91		-40,056.23
Noncurrent assets	1,017.00		2,612.00
Non-current asset coverage (%)		8,827	-1,534

3.3.2 Results of operations

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

	01/04/ 01/04/ to 31/03/2024		01/04/ 01/04/ to 31/03/2023		Changes in comp. to prior year	
	TEUR	%	TEUR	%	TEUR	%
Sales	5,394.9	100.0	6,254.9	100.0	-860.0	-13.7
+ Other operating income	86.5	1.6	32.5	0.5	54.0	166.2
- Cost of materials	4,337.2	80.4	4,693.1	75.0	-355.9	-7.6
- Personnel expenses	714.0	13.2	1,101.5	17.6	-387.5	-35.2
Depreciation, amortisation and write-downs	1.6	0.0	2.2	0.0	-0.6	-27.3
- Other operating expenses	221.4	4.1	121.2	1.9	100.2	82.7
+ Net financial income	8.7	0.2	0.0	0.0	8.7	-
- Income tax expenses	86.0	1.6	80.4	1.3	5.6	7.0
Profit after tax	130.0	2.4	289.1	4.6	-159.1	-55.0
- Other taxes	0.1	0.0	0.1	0.0	0.0	0.0
Net income/loss	129.8	2.4	289.0	4.6	-159.2	-55.1

Supplementary information on profitability and productivity:

	EUR	Fiscal Year Value	Previous Year Value
Key figures on the results of operations			
<u>Net income for the financial year</u>	129,831.14		288,986.94
Sales	5,394,871.20		6,254,896.67
Return on sales (%) (return on sales I (%))		2.41	4.62
<u>Net income for the financial year</u>	129,831.14		288,986.94
Equity	89,774.91		-40,056.23
Return on equity (%)		144.62	-721.45
<u>Personnel expenses</u>	713,974.82		1,101,489.61
Gross revenue	5,394,871.20		6,254,896.67
Personnel expenses rate (%)		13.23	17.61

<u>Cost of materials</u>	4,337,203.81		4,693,074.90
Gross revenue	5,394,871.20		6,254,896.67
Material costs rate (%)		80.39	75.03

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 our engagement in our working papers.

The subject of the preparation with no assessments comprises the preparation of the balance sheet and income statement, as well as of the notes to the financial statements and additional components of the financial statements, on the basis of the accounting records, the inventory 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 stocktaking 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 assessment of their accuracy.

Although we do not assess the vouchers, accounting records and inventory 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 and inventory records 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

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	39.00
	(31/03/2023: EUR	411.00)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Softwares	32,582.13	32,582.13
Acc. Deprn. Softwares	<u>-32,543.13</u>	<u>-32,171.13</u>
	<u>39.00</u>	<u>411.00</u>

II. Tangible fixed assets

1. Technical equipment and machinery

	EUR	475.00
	(31/03/2023: EUR	666.00)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Plant & Machinery Manufacturing	54,542.45	54,542.45
Acc. Deprn. Plant & Machinery - Manufacturing	<u>-54,067.45</u>	<u>-53,876.45</u>
	<u>475.00</u>	<u>666.00</u>

2. Other equipment, operating and office equipment

	EUR	503.00
	(31/03/2023: EUR	1,535.00)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Office Equipment	17,142.62	17,142.62
Acc. Deprn. Office Equipment	-16,849.62	-16,555.62
Building	16,547.90	16,547.90
Acc. Deprn. Building	<u>-16,337.90</u>	<u>-15,599.90</u>
	<u>503.00</u>	<u>1,535.00</u>

B. Current assets

I. Inventories

1. Work in progress

EUR 131,807.66
 (31/03/2023: EUR 264,831.86)

	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Domestic Unbilled Revenue Debtors A/c	47,349.70	187,934.95
Export Unbilled Revenue Debtors A/c	<u>84,457.96</u>	<u>76,896.91</u>
	<u>131,807.66</u>	<u>264,831.86</u>

II. Receivables and other assets

1. Trade receivables

EUR 1,525,451.09
 (31/03/2023: EUR 1,294,964.51)

	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Domestic Debtors	1,528,320.28	1,244,735.03
Reserve For Doubtful Debts	-17,970.69	-61,255.54
Reserve For Doubtful Debts GE13/IN11	<u>15,101.50</u>	<u>111,485.02</u>
	<u>1,525,451.09</u>	<u>1,294,964.51</u>

2. Receivables from affiliated companies

	EUR	355,681.22
	(31/03/2023: EUR	586,203.90)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Inter Co. Clearing Account IN11/GE13	10,312.00	10,312.00
Inter Co. Clearing Account GE13/SZ11	108,563.00	108,563.00
Trade rec. affiliated companies	<u>236,806.22</u>	<u>467,328.90</u>
	<u>355,681.22</u>	<u>586,203.90</u>

3. Other assets

	EUR	103,621.32
	(31/03/2023: EUR	95,485.09)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Other Receivables	125.00	125.00
Forderung Zinsabgrenzung	1,893.70	0.00
Trade Deposits	3,483.95	3,483.95
Accounts receivable from VAT adv. paym.	67,889.00	51,659.00
Trade Tax 2022/2023	3,359.00	1,679.00
Advance Tax AY 2023-24	3,164.00	3,164.00
Sundry Creditors	0.30	43.00
Other Payroll Liabilities - Creditors	0.00	1,026.40
VAT, earlier years	33,985.44	34,304.74
EWB sonst. VG	<u>-10,279.07</u>	<u>0.00</u>
	<u>103,621.32</u>	<u>95,485.09</u>

III. Cash on hand, central bank balances, bank balances, and checks

EUR 1,495,989.89
 (31/03/2023: EUR 1,116,918.82)

	31/03/2024 EUR	31/03/2023 EUR
Cash on Hand Nürnberg	91.16	91.16
Hypovereins Bank-Curr A/C	699,750.30	1,116,827.66
Festgeld Konto	801,000.00	0.00
Exchange Rate Diff Adj - CD11	-10,140.51	0.00
Exchange Rate Diff Adj - UK22	5,288.94	0.00
	1,495,989.89	1,116,918.82

Total current assets

EUR 3,612,551.18
 (31/03/2023: EUR 3,358,404.18)

C. Prepaid expenses

EUR 39,647.61
 (31/03/2023: EUR 12,209.14)

	31/03/2024 EUR	31/03/2023 EUR
Prepaid Expenses	39,647.61	12,209.14

D. Deficit not covered by equity

EUR 0.00
 (31/03/2023: EUR 40,056.23)

	31/03/2024 EUR	31/03/2023 EUR
Deficit not covered by equity	0.00	40,056.23

Total Assets

EUR 3,653,215.79
 (31/03/2023: EUR 3,413,281.55)

A. Equity

I. Subscribed capital	EUR 25,000.00	
	(31/03/2023: EUR 25,000.00)	
	31/03/2024	31/03/2023
	<u>EUR</u>	<u>EUR</u>
Issued & Paid Up Capital	<u>25,000.00</u>	<u>25,000.00</u>
II. Accumulated losses brought forward	EUR 65,056.23	
	(31/03/2023: EUR 354,043.17)	
	31/03/2024	31/03/2023
	<u>EUR</u>	<u>EUR</u>
Profit & Loss Account	283,557.23	572,544.17
Profit & Loss prior to acquisition	<u>-218,501.00</u>	<u>-218,501.00</u>
	<u>65,056.23</u>	<u>354,043.17</u>
III. Net income for the financial year	EUR 129,831.14	
	(31/03/2023: EUR 288,986.94)	
	31/03/2024	31/03/2023
	<u>EUR</u>	<u>EUR</u>
Net income for the financial year	<u>129,831.14</u>	<u>288,986.94</u>
Deficit not covered	EUR 0.00	
	(31/03/2023: EUR 40,056.23)	
	31/03/2024	31/03/2023
	<u>EUR</u>	<u>EUR</u>
Deficit not covered	<u>0.00</u>	<u>40,056.23</u>
Total equity	EUR 89,774.91	
	(31/03/2023: EUR 0.00)	

B. Provisions

1. Provisions for taxes

	EUR	142,459.15
	(31/03/2023: EUR	58,500.00)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Provision for trade tax, EStG s. 4(5b)	73,334.00	30,100.00
Provisions for corporate income tax	<u>69,125.15</u>	<u>28,400.00</u>
	<u>142,459.15</u>	<u>58,500.00</u>

2. Other provisions

	EUR	75,693.13
	(31/03/2023: EUR	181,442.74)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Provision For Expenses	47,188.13	70,557.74
Provision for Marketing Bonus & Commission	323.00	79,378.00
Rückstellungen für Personalkosten	7,875.00	0.00
Leave Encashment Payable	15,500.00	26,700.00
Provsns for record retnn obligations	<u>4,807.00</u>	<u>4,807.00</u>
	<u>75,693.13</u>	<u>181,442.74</u>

C. Liabilities

1. Advance payments received on orders

	EUR	299,413.89
	(31/03/2023: EUR	292,770.92)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Advance Billing	35,509.25	36,530.08
Accrued Offshore Cost Payable	7,663.80	0.00
Advance from Customer	<u>256,240.84</u>	<u>256,240.84</u>
	<u>299,413.89</u>	<u>292,770.92</u>

2. Trade payables	EUR	47,472.35
	(31/03/2023: EUR	97.69)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Sundry Creditors	<u>47,472.35</u>	<u>97.69</u>
3. Liabilities to affiliated companies	EUR	2,542,384.85
	(31/03/2023: EUR	2,602,170.14)
	<u>31/03/2024</u>	<u>31/03/2023</u>
	EUR	EUR
Trade rec. affiliated companies	1,155.80	83,326.77
Trade payables affiliated companies	2,541,229.05	2,439,513.72
Sundry Creditors - UK22	0.00	54,771.02
Exchange Rate Diff Adj - Intercompany Creditors	0.00	10,405.22
Exchange Rate Diff Adj - UK21	0.00	-13.58
Exchange Rate Diff Adj - US11	0.00	13,108.01
Exchange Rate Diff Adj - US12	0.00	-9,081.53
Exchange Rate Diff Adj - CD11	0.00	10,140.51
	<u>2,542,384.85</u>	<u>2,602,170.14</u>

4. Other liabilities

EUR 456,017.51
(31/03/2023: EUR 278,300.06)

- of which taxes **EUR 298,848.22**
(EUR 261,779.07)

- of which social security **EUR 953.07**
(EUR 2,885.95)

	31/03/2024 EUR	31/03/2023 EUR
Domestic Debtors	21,886.70	2,190.54
Advance To Employees-Travel	2,986.22	2,986.22
Deductible input tax, 7%	-27.46	-137.67
Deductible input tax, 16%	0.00	233.02
Deductible input tax, 19%	-28,707.81	113,490.87
Deductbl inpt tax sec 13b UStG 19%	-1,096,718.12	-1,171,298.80
Deductbl inpt tax sec 13b UStG 16%	0.00	-89.44
Other liabilities	92,106.30	0.00
Loans	8,392.93	1,056.57
Tds-From Salary	7,856.45	5,097.68
Other Payroll Liabilities	2,304.03	2,304.03
Other Payroll Liabilities - Creditors	30.00	0.00
Provident Fund Payable	953.07	2,885.95
VAT, 16%	0.00	-1,996.80
VAT, 19%	988,161.73	765,671.90
VAT prepayments	-750,569.69	-560,725.25
VAT Deposit A/c	-51,659.00	-54,757.00
VAT under section 13b UStG, 19%	1,096,718.12	1,171,298.80
VAT under section 13b UStG, 16%	0.00	89.44
VAT, previous year	141,650.45	0.00
Exchange Rate Diff Adj - Intercompany Creditors	7,650.64	0.00
Exchange Rate Diff Adj - UK21	-1,260.91	0.00
Exchange Rate Diff Adj - US11	23,345.39	0.00
Exchange Rate Diff Adj - US12	-9,081.53	0.00
	<u>456,017.51</u>	<u>278,300.06</u>

Total Equity and Liabilities

EUR 3,653,215.79
(31/03/2023: EUR 3,413,281.55)

	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
1. Sales	<u>5,394,871.20</u>	<u>6,254,896.67</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
Export Sales	46,612.00	175,676.12
Export Sales - Back to back Sales	1,195,758.77	1,984,011.50
Export Sales - Internally developed license	0.00	17,707.05
Export Sales - US - Back to back	7,606.43	91,982.87
Export Sales-Pivolis	1.24	103,471.54
Export Sales - Systime Canada BTB	0.00	37,831.32
Export Sale - UK21 (No Cost Element)	112.75	16,084.27
Export Sale - BSL Switzerland	19,165.21	85,826.38
Export Sale - Birlasoft Inc BTB	73,400.57	70,606.02
Domestic Sales	599,930.38	765,395.97
Domestic Sales Back to back Sales	3,452,283.87	2,906,303.63
Cash discounts granted, 19% VAT	<u>-0.02</u>	<u>0.00</u>
	<u>5,394,871.20</u>	<u>6,254,896.67</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
2. Other operating income	<u>86,548.99</u>	<u>32,506.76</u>
- of which currency translation gains EUR 0.00 (EUR 16,527.79)		
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
Foreign Exc Gain/(Loss)-Debtors Revaluation	0.00	16,527.79
Foreign exchange gain/loss-Realised Debtors/ Sales	-7,414.50	15,270.08
Foreign Exchange Loss (Others)	9,428.10	278.71
Income from reversal of provisions	81,155.23	0.00
Inc. reversal of other tax reservers	1,131.30	0.00
Allocated other non-cash benefits	126.96	27.61
Prior - period income	31.72	402.57
Refunds AAG	<u>2,090.18</u>	<u>0.00</u>
	<u>86,548.99</u>	<u>32,506.76</u>

3. Cost of materials

	2023/2024 EUR	2022/2023 EUR
a) Cost of raw materials, consumables and supplies, and of purchased merchandise	<u>7,394.50</u>	<u>-517.12</u>
	2023/2024 EUR	2022/2023 EUR
Project related direct exps incl comp re	0.00	-22,440.00
Product Purchase Expenses-AMC	<u>7,394.50</u>	<u>21,922.88</u>
	<u>7,394.50</u>	<u>-517.12</u>
	2023/2024 EUR	2022/2023 EUR
b) Expenses for purchased services	<u>4,329,809.31</u>	<u>4,693,592.02</u>
	2023/2024 EUR	2022/2023 EUR
Software Service Charges - KPBN (No Cost Element)	4,090,277.79	4,303,477.75
Software Service Charges - UK21 (No cost element)	0.00	32,398.03
Software Service Charges UK22	5,852.85	0.00
Software Serv. Charges BTB SYCN-SYUS	17,651.45	95,260.13
Software Service Charges - KPUS (No Cost Element)	216,027.22	268,273.71
Professional Fees - Onsite	<u>0.00</u>	<u>-5,817.60</u>
	<u>4,329,809.31</u>	<u>4,693,592.02</u>

4. Personnel expenses

	2023/2024 EUR	2022/2023 EUR
a) Wages and salaries	<u>711,581.08</u>	<u>1,099,637.69</u>

	2023/2024 EUR	2022/2023 EUR
Wages and salaries	29,503.87	0.00
Salaries	456,376.79	806,239.35
G & A support salary allocation A/c	25,762.00	48,098.00
Salaries- Support	3,595.80	4,522.54
Salaries- Marketing Staff	207,542.62	203,537.46
Bonus & Ex-Gratia-Development	0.00	37,240.34
Exp. chge. prov. vac. pay	-11,200.00	0.00
	<u>711,581.08</u>	<u>1,099,637.69</u>

	2023/2024 EUR	2022/2023 EUR
b) Social security contributions and expenses for pensions and other benefits	<u>2,393.74</u>	<u>1,851.92</u>

	2023/2024 EUR	2022/2023 EUR
Contrb. to occup. health/safety agency	2,187.73	1,824.31
Vol. social benfts not subj to wage tx	206.01	27.61
	<u>2,393.74</u>	<u>1,851.92</u>

5. Depreciation and amortization

	2023/2024 EUR	2022/2023 EUR
a) Of noncurrent intangible assets and property, plant and equipment	<u>1,595.00</u>	<u>2,186.51</u>

	2023/2024 EUR	2022/2023 EUR
Depreciation	<u>1,595.00</u>	<u>2,186.51</u>

	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
6. Other operating expenses	<u>221,410.15</u>	<u>121,151.37</u>
- of which currency translation losses		
EUR 10,257.38 (EUR -9,888.23)		
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
Small Difference Account	0.00	4,807.00
Recruitment Expenses - Commission	16,161.40	30,420.00
Rent	8,000.22	7,237.01
Insurance-Others	6,206.76	8,275.62
Contributions	177.00	110.00
Misc.Repairs-Computer Hardware	6,448.26	6,834.31
Insurance-Vehicle	8.12	1,418.16
Repairs, Maint & Petrol - Vehicles	649.63	1,517.47
Car Lease Charges	-133.68	4,089.08
Advertising expenses	4,527.23	0.00
Werbekosten	0.00	1,777.23
Staff Welfare Expenses	1,065.00	1,153.00
Travel Support-Domestic	22,459.13	18,739.69
Postage & Courier	91.99	164.96
Telephone Expenses	3,179.24	6,124.25
Other Office Expenses	160.00	117.09
Legal Expenses	5,404.75	17,419.14
Professional Fees	44,934.27	79,313.46
Computer Lease Charges	1,113.03	1,504.17
Bank Charges-Foreign	11,009.76	14,870.45
Currency translation losses	-117.25	-2,722.63
Foreign Exchange Loss (Others)	10,374.63	-7,165.60
Provision For Doubtful Debts	53,098.67	-376,509.33
Einstellung EWB sonst. VG	10,279.07	0.00
Bad Debts	15,179.16	305,966.06
Prior-period expenses	1,133.76	0.00
Creditors w.off / w.back	0.00	-4,309.22
	<u>221,410.15</u>	<u>121,151.37</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
7. other interest and similar income	<u>8,707.70</u>	<u>1.47</u>

	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
Interest Other	474.00	1.47
Sonstige Zinserträge	1,893.70	0.00
Incme oth securities and short-term loans	<u>6,340.00</u>	<u>0.00</u>
	<u>8,707.70</u>	<u>1.47</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
8. Taxes on income and earnings	<u>85,965.43</u>	<u>80,388.00</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
Corporate income tax	38,602.00	26,900.00
Corporate income tax for prior years	0.00	20,748.00
Solidarity surcharge	2,123.15	1,500.00
Solidarity surcharge for prior years	0.00	1,140.00
Trade tax	43,234.00	30,100.00
Withholding tax investment income, 25%	1,901.70	0.00
Soliarity surcharge withholding tax 25%	<u>104.58</u>	<u>0.00</u>
	<u>85,965.43</u>	<u>80,388.00</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
9. Net income/net loss after tax	<u>129,978.68</u>	<u>289,114.51</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
10. Other taxes	<u>147.54</u>	<u>127.57</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
Rates & Taxes-Others	328.54	127.57
Motor vehicle tax	<u>-181.00</u>	<u>0.00</u>
	<u>147.54</u>	<u>127.57</u>
	<u>2023/2024</u> EUR	<u>2022/2023</u> EUR
11. Net income for the financial year	<u>129,831.14</u>	<u>288,986.94</u>

8. Enclosures

Attestation report on preparation by the auditing company.

To Birlasoft Solutions GmbH

In accordance with the terms of our engagement, we have prepared the following annual financial statements – comprising the balance sheet, income statement and notes to the financial statements – of the Birlasoft Solutions GmbH for the financial year from 01 April 2023 to 31 March 2024 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 inventory 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 IDW (Institute of Public Auditors in Germany) Standards for the Preparation of Annual Financial Statements (IDW S7 (03.2021)). This engagement 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.

München, 26 April 2024

ISARTAX GmbH
Wirtschaftsprüfungsgesellschaft [Public Audit Firm]
Steuerberatungsgesellschaft [Tax Advisory Firm]

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

Balance Sheet as of 31 March 2024

Birlasoft Solutions GmbH, Bielefeld

ASSETS

TOTAL EQUITY AND LIABILITIES

	EUR	Financial Year EUR	Prior Year EUR		EUR	Financial Year EUR	Prior Year EUR
A. Noncurrent assets				A. Equity			
I. Intangible fixed assets				I. Subscribed capital		25,000.00	25,000.00
1. Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values		39.00	411.00	II. Accumulated losses brought forward		65,056.23	354,043.17
II. Tangible fixed assets				III. Net income for the financial year		129,831.14	288,986.94
1. Technical equipment and machinery	475.00		666.00	Deficit not covered		0.00	40,056.23
2. Other equipment, operating and office equipment	503.00		1,535.00	Total equity		89,774.91	0.00
		978.00	2,201.00	B. Provisions			
Total noncurrent asset		1,017.00	2,612.00	1. Provisions for taxes	142,459.15		58,500.00
				2. Other provisions	75,693.13		181,442.74
B. Current assets						218,152.28	239,942.74
I. Inventories				C. Liabilities			
1. Work in progress		131,807.66	264,831.86	1. Advance payments received on orders	299,413.89		292,770.92
II. Receivables and other assets				2. Trade payables	47,472.35		97.69
1. Trade receivables	1,525,451.09		1,294,964.51	3. Liabilities to affiliated companies	2,542,384.85		2,602,170.14
2. Receivables from affiliated companies	355,681.22		586,203.90	4. Other liabilities	456,017.51		278,300.06
3. Other assets	103,621.32		95,485.09	- of which taxes EUR 298,848.22 (EUR 261,779.07)			
		1,984,753.63	1,976,653.50	- of which social security EUR 953.07 (EUR 2,885.95)			
III. Cash on hand, central bank balances, bank balances, and checks		1,495,989.89	1,116,918.82			3,345,288.60	3,173,338.81
Total current assets		3,612,551.18	3,358,404.18				
C. Prepaid expenses		39,647.61	12,209.14				
D. Deficit not covered by equity		0.00	40,056.23				
		<u>3,653,215.79</u>	<u>3,413,281.55</u>			<u>3,653,215.79</u>	<u>3,413,281.55</u>

Birlasoft Solutions GmbH, Bielefeld

	EUR	Financial Year EUR	Prior Year EUR
1. Sales		5,394,871.20	6,254,896.67
2. Other operating income		86,548.99	32,506.76
- of which currency translation gains EUR 0.00 (EUR 16,527.79)			
3. Cost of materials			
a) Cost of raw materials, consumables and supplies, and of purchased merchandise	7,394.50		517.12-
b) Expenses for purchased services	<u>4,329,809.31</u>		<u>4,693,592.02</u>
		4,337,203.81	4,693,074.90
4. Personnel expenses			
a) Wages and salaries	711,581.08		1,099,637.69
b) Social security contributions and expenses for pensions and other benefits	<u>2,393.74</u>		<u>1,851.92</u>
		713,974.82	1,101,489.61
5. Depreciation and amortization			
a) Of noncurrent intangible assets and property, plant and equipment		1,595.00	2,186.51
6. Other operating expenses		221,410.15	121,151.37
- of which currency translation losses EUR 10,257.38 (EUR -9,888.23)			
7. other interest and similar income		8,707.70	1.47
8. Taxes on income and earnings		85,965.43	80,388.00
9. Net income/net loss after tax		<u>129,978.68</u>	<u>289,114.51</u>
10. Other taxes		147.54	127.57
11. Net income for the financial year		<u><u>129,831.14</u></u>	<u><u>288,986.94</u></u>

Fixed Asset Schedule as of 31 March 2024

Birlasoft Solutions GmbH, Bielefeld

	acquisition-, production- cost 01/04/2023 EUR	disposals EUR	acquisition-, production- cost 31/03/2024 EUR	accumulated depreciations 01/04/2023 EUR	depreciations financial year EUR	disposals EUR	accumulated depreciations 31/03/2024 EUR	book value 31/03/2024 EUR	book value 31/03/2023 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	30,720.63	1,861.50	32,171.13	372.00	30,720.63	1,822.50	39.00	411.00
Total intangible fixed assets	32,582.13	30,720.63	1,861.50	32,171.13	372.00	30,720.63	1,822.50	39.00	411.00
II. Tangible fixed assets									
1. Technical equipment and machinery	54,542.45	49,373.29	5,169.16	53,876.45	191.00	49,373.29	4,694.16	475.00	666.00
2. Other equipment, operating and office equipment	33,690.52	10,895.36	22,795.16	32,155.52	1,032.00	10,895.36	22,292.16	503.00	1,535.00
Total tangible fixed assets	88,232.97	60,268.65	27,964.32	86,031.97	1,223.00	60,268.65	26,986.32	978.00	2,201.00
Total noncurrent asset	120,815.10	90,989.28	29,825.82	118,203.10	1,595.00	90,989.28	28,808.82	1,017.00	2,612.00

Notes

General information about the annual financial statements

The annual financial statements were prepared in accordance with the provisions of §§ 42 ff. HGB in compliance with 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 [Commercial Register]
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.

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.

Tax provisions contain the taxes attributable to the financial year that have not yet been assessed.

The other provisions were recognised for all further uncertain liabilities. They reflect all identifiable risks.

Liabilities are recognised at their settlement amount.

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

Disclosure on remaining maturity comments

Liabilities with a remaining term of up to one year amount to 3,345,288.60 EUR (prior year: 3,173,338.81 EUR).

Unrecognised other financial obligations

In addition to the liabilities presented in the balance sheet, there are other financial obligations amounting to 4.541,64 EUR.

These obligations relate specifically to the following items:

- Rent

Other disclosures

Average number of employees during the financial year

The average number of employees during the financial year in the company was 8,5.

Signature of management

Bielefeld, 26 April 2024

Ashish Satija
Managing Director

General engagement terms for tax advisers and tax advisory firms

Birlasoft Solutions Inc.

Registered Office: 379 Thornall St, 12th 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, 2024.

Financial Results

Particulars	2023-24 USD (Million)	2022-23 USD (Million)
Total Income	260.43	214.06
Net Profit / (Loss) for the year	16.96	(0.50)

Operations

During the year under review, total income of the Company increased by 21.67 %, which resulted in net profit of USD 16.96 million.

Board of Directors

During the year under review, Ms. Nidhi Killawala was appointed as the Director of the Company effective January 24, 2024 and Ms. Nandita Gurjar ceased to be a Director effective end of business hours of January 14, 2024.

Mr. Angan Guha, Mr. S. S. Kejriwal, Ms. Anindita Chowdhury and Ms. Nidhi Killawala 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
Birlasoft Solutions Inc.

New Delhi
April 29, 2024

Angan Guha
Director

Birlasoft Solutions Inc.

Balance Sheet

as at 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2A	791,987	612,508
Right-of-use assets	2B	2,518,366	1,251,462
Capital work-in-progress		139,108	-
Other intangible assets	2C	-	-
Financial assets			
Investments	3	39,660,963	39,571,308
Other financial assets	4	260	-
Income tax assets (net)		214,268	3,566,754
Deferred tax assets (net)	5	1,659,471	2,530,712
Other non-current assets	6	1,345,863	511,846
		<u>46,330,286</u>	<u>48,044,590</u>
Current assets			
Financial assets			
Investments	7	8,504,855	-
Trade receivables	8	65,568,081	53,720,662
Cash and cash equivalents	9	4,084,833	11,019,855
Other financial assets	10	-	12,211
Other current assets	11	14,721,190	4,158,307
		<u>92,878,959</u>	<u>68,911,035</u>
TOTAL ASSETS		<u>139,209,245</u>	<u>116,955,625</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	55,709,854	55,709,854
Other equity		39,708,587	22,747,212
Total equity		<u>95,418,441</u>	<u>78,457,066</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	13	2,156,106	1,033,031
Other financial liabilities	14	110,807	104,096
Provisions	15	9,768	-
		<u>2,276,681</u>	<u>1,137,127</u>
Current liabilities			
Financial liabilities			
Trade payables	16		
Outstanding dues of creditors other than micro enterprises and small enterprises		30,720,779	29,583,841
Lease liabilities	17	612,148	431,478
Other financial liabilities	18	6,131,646	3,433,555
Other current liabilities	19	2,467,686	1,548,271
Provisions	20	1,581,864	1,501,913
Income tax liabilities (net)		-	862,374
		<u>41,514,123</u>	<u>37,361,432</u>
TOTAL EQUITY AND LIABILITIES		<u>139,209,245</u>	<u>116,955,625</u>

Material accounting policies

1

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

2-28

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

Angan Guha

Director

Place - New Delhi

Date - 29 April 2024

Birlasoft Solutions Inc.
Statement of Profit and Loss
for the year ended 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
Revenue from operations	21	257,044,934	214,074,073
Other income (net)	22	3,392,162	(16,378)
Total income		260,437,096	214,057,695
Expenses			
Employee benefits expense	23	55,470,937	48,736,807
Finance costs	24	485,841	321,266
Depreciation and amortization expense	2	745,688	656,008
Other expenses	25	181,030,459	166,483,744
Total expenses		237,732,925	216,197,825
Profit before tax		22,704,171	(2,140,130)
Tax expense			
Current tax		4,871,555	(599,060)
Deferred tax (benefit)/charge		871,241	(1,044,010)
Total tax expense		5,742,796	(1,643,070)
Profit for the year		16,961,375	(497,060)
Material accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-28		

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

Angan Guha
Director
Place - New Delhi
Date - 29 April 2024

Birlasoft Solutions Inc.
Statement of changes in equity
for the year ended 31 March 2024

(Amount in USD)

A Equity share capital

Amount

Balance as at 01 April 2022	55,709,854
Changes in equity share capital during 2022-23	-
Balance as at 31 March 2023	55,709,854
Changes in equity share capital during 2023-24	-
Balance as at 31 March 2024	55,709,854

B Other equity

	Reserves & surplus			Total
	Capital Reserve	General reserve	Retained earnings	
Balance as at 01 April 2022	31,780	(33,965,293)	57,177,785	23,244,272
Profit / (Loss) for the year	-	-	(497,060)	(497,060)
Balance as at 31 March 2023	31,780	(33,965,293)	56,680,725	22,747,212
Profit for the year	-	-	16,961,375	16,961,375
Balance as on 31 March 2024	31,780	(33,965,293)	73,642,100	39,708,587

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

Angan Guha
 Director
 Place - New Delhi
 Date - 29 April 2024

Birlasoft Solutions Inc.

Statement of Cash Flows

for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit for the year	22,704,171	(2,140,130)
Adjustments for		
(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	-	35,962
Depreciation / Amortization	745,687	656,008
Interest expense	485,841	321,266
Interest income	(277,840)	(47,114)
Provision for doubtful debts and advances (net)	(10,701,845)	12,536,374
Bad debts written off	12,459,677	227,348
Unrealised foreign exchange loss/(gain)	28,534	28,740
Operating Profit before working capital changes	25,439,370	11,618,454
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(19,001,814)	(14,370,344)
Loans, other financial assets and other assets	(5,987,872)	15,924,508
Trade Payables	1,107,890	(3,634,412)
Other financial liabilities, other liabilities and provisions	3,713,936	(3,820,220)
Cash generated from operations	5,271,510	5,717,986
Income taxes paid	(2,381,443)	(1,504,938)
Net cash generated from operating activities (A)	2,890,067	4,213,048
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(453,611)	(262,247)
Proceeds from sale of property, plant and equipment	(139,108)	999
Purchase of investments	(8,589,655)	-
Loan (given to)/repaid by related parties	-	-
Interest received	277,840	47,114
Net cash used in investing activities (B)	(8,904,534)	(214,134)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(518,415)	(413,361)
Loan taken from/(repaid to) related party	-	-
Interest paid	(402,140)	(269,505)
Net cash used in financing activities (C)	(920,555)	(682,866)
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	(6,935,022)	3,316,048
Cash and cash equivalents at end of the year (Refer note 1 below)	4,084,833	11,019,855
Cash and cash equivalents at beginning of the year (Refer note 1 below)	11,019,855	7,703,807
Net Increase/ (decrease) in cash and cash equivalents	(6,935,022)	3,316,048
Note 1 :		
Cash and cash equivalents include:		
Cheques in hand	406,654	261,836
Balance with banks		
- In current accounts	3,678,179	10,658,946
- In deposit accounts (with original maturity of 3 months or less)	-	99,073
Total Cash and cash equivalents	4,084,833	11,019,855

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.

Angan Guha
Director
Place - New Delhi
Date - 29 April 2024

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

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.

Material 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

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

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

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

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

1.3 Revenue recognition (continued)

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

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

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

Unearned revenue ("contract liability") is recognized when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

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

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

1.4 Property, plant and equipment

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

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

1.5 Intangible assets

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

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

Intangible 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.

1.6 Depreciation and amortization

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

Type of asset	Useful life (No. of years)
Buildings	25
Plant and equipment	3-4
Office Equipment	5-10
Owned Vehicle	3-5
Furniture and fixtures	7-10

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

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The management's estimates of the useful lives of intangible assets for computing amortization are as follows:

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

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

1.7 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.

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

1.7 Impairment (Continued)

b. Non-financial assets (continued)

i. Property, plant and equipment and intangible assets (continued)

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 Companyed together into the smallest Company of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

1.8 Leases

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

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

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

Company as a lessee

a. Recognition and measurement

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

The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. The Company generally uses incremental borrowing rate as discount rate. The right-of-use assets is depreciated using the straight-line method from the commencement date over the useful life of right-of-use asset. The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured to reflect any lease modifications or reassessments.

b. Extension and termination of lease

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

c. Short term leases and low value assets

The Company has elected not to recognise right of use of assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over lease term.

d. Impairment testing for right of use of assets

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

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

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. 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.

1.10 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.

1.11 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.

1.12 Provisions, Contingent liabilities and Contingent assets

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

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

No provision is recognized for –

- 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.

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

1.12 Provisions, Contingent liabilities and Contingent assets (continued)

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

Decommissioning Liability

The Group uses various premises on lease to run its operation and records a provision for decommissioning costs to be incurred for the restoration of these premises at the end of the lease period. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as an interest expense. The estimated future costs of decommissioning and interest rate are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

1.13 Share based payments

In respect of stock options granted by the parent company, pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.14 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

1.14 Financial instruments (continued)

d. Fair value of financial 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

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

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

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

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

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

1.15 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.

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2A Property, plant and equipment

	Plant and equipment	Office Equipment	Furniture and Fixtures	Leasehold improvements	Total
Gross carrying amount as at 1 April 2022	2,290,872	110,817	483,165	183,008	3,067,862
Additions	262,247	-	-	-	262,247
Disposal	269	-	435,395	183,008	618,672
Gross carrying amount as at 31 March 2023	2,552,850	110,817	47,770	-	2,711,437
Accumulated depreciation as at 1 April 2022	1,742,725	100,829	404,989	174,724	2,423,267
Depreciation for the year	230,260	3,562	16,481	7,070	257,373
Disposal	197	-	399,720	181,794	581,711
Accumulated depreciation as at 31 March 2023	1,972,788	104,391	21,750	-	2,098,929
Gross carrying amount as at 1 April 2023	2,552,850	110,817	47,770	-	2,711,438
Additions	178,231	-	-	275,379	453,611
Disposal	872,187	95,750	-	-	967,937
Gross carrying amount as at 31 March 2024	1,858,895	15,067	47,770	275,379	2,197,112
Accumulated depreciation as at 1 April 2023	1,972,788	104,391	21,750	-	2,098,929
Depreciation for the year	254,546	1,511	5,972	12,104	274,133
Disposal	872,187	95,750	-	-	967,937
Accumulated depreciation as at 31 March 2024	1,355,147	10,152	27,722	12,104	1,405,125
Net Carrying amount as at 31 March 2023	580,062	6,426	26,020	-	612,508
Net Carrying amount as at 31 March 2024	503,748	4,915	20,049	263,275	791,987

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 1 April 2022	2,643,388	2,643,388
Additions	-	-
Disposal	206,502	206,502
Gross carrying amount as at 31 March 2023	2,436,887	2,436,887
Accumulated depreciation as at 01 April 2022	993,291	993,291
Depreciation for the year	398,635	398,635
Disposal	206,502	206,502
Accumulated depreciation as at 31 March 2023	1,185,424	1,185,424
Gross carrying amount as at 1 April 2023	2,436,887	2,436,887
Additions	1,738,459	1,738,459
Disposal	-	-
Gross carrying amount as at 31 March 2024	4,175,346	4,175,346
Accumulated depreciation as at 01 April 2023	1,185,424	1,185,424
Depreciation for the year	471,555	471,555
Disposal	-	-
Accumulated depreciation as at 31 March 2024	1,656,979	1,656,979
Net Carrying amount as at 31 March 2023	1,251,463	1,251,463
Net Carrying amount as at 31 March 2024	2,518,366	2,518,366

2C Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2022	250,363	645,955	896,318
Additions	-	-	-
Disposal	250,363	645,351	895,714
Gross carrying amount as at 31 March 2023	-	604	604
Accumulated depreciation as at 1 April 2022	250,363	645,955	896,318
Depreciation for the year	-	-	-
Disposal	250,363	645,351	895,714
Accumulated depreciation as at 31 March 2023	-	604	604
Gross carrying amount as at 1 April 2023	-	604	604
Additions	-	-	-
Disposal	-	604	604
Gross carrying amount as at 31 March 2024	-	-	-
Accumulated depreciation as at 1 April 2023	-	604	604
Depreciation for the year	-	-	-
Disposal	-	604	604
Accumulated depreciation as at 31 March 2024	-	-	-
Net Carrying amount as at 31 March 2023	-	-	-
Net Carrying amount as at 31 March 2024	-	-	-

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

	(Amount in USD)	
	31 March 2024	31 March 2023
3 Non-Current investments		
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft Solutions Ltda (4,021,378(Previous year 4,021,378)Equity shares of Brazilian Reas 1 each fully paid up)	1,470,000	1,470,000
Investment in shares of Birlasoft Consulting Inc. USA (1,000 (Previous Year 1,000) Shares of the common stock without par value fully paid up)	38,098,832	38,098,832
Investment in shares of Birlasoft Solutions Mexico S.A.DEC.V. (49 (Previous Year 49) Shares of fixed capital stock with a value of 1000 MXP)	2,476	2,476
(1500 (Previous Year - Nil) Shares of vairable capital stock with a value of 1000 MXP)	89,655	-
	39,660,963	39,571,308
4 Other financial assets		
Security deposits	260	-
	260	-
5 Deferred tax assets (net)		
Deferred tax assets		
-Provision for doubtful debts and advances	675,617	2,065,023
-Provision for compensated absences	-	274,745
-Provision for Unbilled revenue	262,471	-
-Subcontractor payable	150,645	108,083
-Accrued expenses	167,629	238,879
-Accrued Payroll	-	20,923
-Lease liabilities	-	307,547
-Tax on loss	-	2,281,171
-Insurance payable	205,350	-
-Other payroll provision	236,556	-
-Others	1,041,327	-
	2,739,595	5,296,371
Deferred tax liabilities		
-Prepaid Expenses	3,090	16,756
-Provision for depreciation	215,350	115,363
-Provision for doubtful debts	127,413	583,943
-Right Of Use Assets	624,753	262,807
-Contract Fulfillment cost	109,518	204,226
-Others	-	1,582,564
	1,080,124	2,765,659
Net deferred tax asset	1,659,471	2,530,712
6 Other non-current assets		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Prepaid expenses	500,000	3,268
Contract Fulfillment Cost	845,863	508,578
	1,345,863	511,846

Birlasoft Solutions Inc.
Notes forming part of the financial statements (continued)
as at 31 March 2024

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(Amount in USD)

	31 March 2024	31 March 2023
7 Current investments		
HSBC Mutual Fund	8,504,855	-
	<u>8,504,855</u>	<u>-</u>
8 Trade receivables <i>(Unsecured)</i>		
A Billed		
Trade Receivables considered good	55,005,365	49,576,002
Trade Receivables - credit impaired	<u>2,200,897</u>	<u>7,505,664</u>
	57,206,262	57,081,666
Less: Allowances for bad and doubtful trade receivables	<u>2,200,897</u>	<u>7,505,664</u>
	55,005,365	49,576,002
B Unbilled	10,562,716	4,144,660
	<u>65,568,081</u>	<u>53,720,662</u>
Note :		
Trade receivables include due from related parties USD 11369390(Previous year USD 16243044) (Refer Note 26).		
9 Cash and bank balances		
Balances with banks		
- In current accounts	3,678,179	10,658,946
- In deposit accounts(with original maturity of 3 months or less)	-	99,073
Cheques in hand	406,654	261,836
	<u>4,084,833</u>	<u>11,019,855</u>
Note:		
Balance with bank in Current accounts includes interest bearing accounts amounting to USD 68,937(previous year USD 5,250,356)		
10 Other current financial assets		
- Security deposits	-	8,902
- Interest Accrued	-	3,309
	<u>-</u>	<u>12,211</u>
11 Other current assets <i>(Unsecured, considered good unless otherwise stated)</i>		
Employee advances	79,370	75,925
Advance to suppliers	890,412	178,204
Contract assets -from fixed price contracts	7,477,913	2,435,013
Prepaid expenses	149,320	1,136,339
Contract Fulfillment Cost	740,281	225,469
Balances with statutory authorities	-	48,505
Other receivables from related party (Refer note 26).	5,296,192	-
Others	87,702	58,852
	<u>14,721,190</u>	<u>4,158,307</u>

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

12 Equity share capital

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

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
13 Lease liabilities - non-current		
Lease liabilities	2,156,106	1,033,031
	<hr/>	<hr/>
	2,156,106	1,033,031
	<hr/>	<hr/>
14 Other Non Current financial liabilities		
Accrued employee costs	110,807	104,096
	<hr/>	<hr/>
	110,807	104,096
	<hr/>	<hr/>
15 Non Current Provisions		
Other provisions		
- Provision for lease restoration costs	9,768	-
	<hr/>	<hr/>
	9,768	-
	<hr/>	<hr/>

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
16 Trade payables		
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,720,779	29,583,841
	30,720,779	29,583,841
Note:		
Trade payables include due to related parties USD 21639910(Previous year USD 25829847) (Refer note 26).		
17 Lease liabilities - current		
Lease liabilities	612,148	431,478
	612,148	431,478
18 Other current financial liabilities		
Accrued employee costs	3,856,476	2,653,749
Payable to related party (Refer note 26).	2,265,188	770,860
Security deposits	9,982	8,946
	6,131,646	3,433,555
19 Other current liabilities		
Unearned revenue	1,598,877	451,291
Advances from customers	143,871	524,581
Statutory remittances	724,938	572,399
	2,467,686	1,548,271
20 Provisions - current		
Provision for employee benefits		
- Compensated Absences	1,536,601	1,501,913
Other provisions		
- Provision for Onerous contracts	44,499	-
- Provision for Lease restoration	764	-
	1,581,864	1,501,913

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
21 Revenue from operations		
Software services	257,044,934	214,074,073
	257,044,934	214,074,073
22 Other income		
Interest income	277,840	47,114
Foreign exchange gain (net)	93,238	(68,195)
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	2,665,832	4,703
Fair value gain on financial assets (investments) at fair value through profit or loss	4,855	-
Miscellaneous income	350,397	
	3,392,162	(16,378)

Birlasoft Solutions Inc.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
23 Employee benefits expense		
Salaries, wages and incentives	54,814,216	48,258,764
Share based compensation to employees	513,620	370,509
Staff welfare expenses	143,101	107,534
	55,470,937	48,736,807
24 Finance costs		
Interest expense	66	269,505
Interest on lease liabilities	83,701	51,761
Bill discounting charges	402,074	-
	485,841	321,266
25 Other expenses		
Travel and overseas expenses (net)	3,126,281	2,539,620
Cost of service delivery (net)	137,905,681	125,574,636
Cost of professional sub-contracting (net)	34,801,202	22,371,091
Recruitment and training expenses	805,212	720,823
Power and fuel	11,430	30,106
Rent	52,580	50,475
Repairs and maintenance -		
- plant and equipment	100,654	22,793
- others	(1,535)	-
Insurance	204,280	171,088
Rates and taxes	331,879	266,016
Communication expenses (net)	231,314	158,838
Legal and professional fees	899,777	1,323,763
Marketing expenses	510,173	175,128
Printing & stationery	14,074	4,313
Bad debts written off	12,459,677	227,348
Provision for doubtful debts and advances (net)	(10,701,845)	12,536,374
Loss on sale of property, plant and equipment and intangible assets (net)	-	35,962
Miscellaneous expenses (net)	279,625	275,370
	181,030,459	166,483,744

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

26 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 (Direct holding)	Birlasoft Consulting Inc. USA
	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.	
Director interested companies	USILaw, Inc.
	CK Birla Corporate Services Limited
Key Management Personnel (KMP)	Indu Nangia
	Angan Guha

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

26 Related party disclosures (continued)

B Transactions during the year with related party

Transaction	Related party name	31 March 2024	31 March 2023
Sale of Software Services	Birlasoft Limited	25,929	24,929
	Birlasoft (UK) Limited	543,774	508,120
	Birlasoft Technologies Canada Corporation	506,186	361,444
	Birlasoft Solutions Limited ,UK	1,530,664	1,489,721
	Birlasoft Solutions Inc.	-	-
	Birlasoft Consulting Inc. USA	1,998,519	2,332,547
	Birlasoft Computer Corporation, USA	2,955,033	2,978,988
	Birlasoft Solutions France	15,105	24,182
	Birlasoft Solutions GmbH	234,041	277,505
	Birlasoft Solutions Mexico S.A.DE C.V.	11	43,297
	Birlasoft Sdn. Bhd, Malaysia	-	-
	Birlasoft Inc.	25,063,849	14,477,849
		32,873,111	22,518,582
Software Services Charges	Birlasoft Limited	111,963,886	98,204,699
	Birlasoft (UK) Limited	311,138	344,176
	Birlasoft Technologies Canada Corporation	1,689,999	2,103,848
	Birlasoft Solutions France	54,706	247,423
	Birlasoft Solutions GmbH	8,289	96,563
	Birlasoft Solutions Mexico S.A.DE C.V.	1,119,567	307,172
	Birlasoft Solutions Limited ,UK	865,285	523,166
	Birlasoft Inc.	7,369,788	6,534,486
	Birlasoft Solutions Ltda	1,790,309	1,350,804
	Birlasoft Sdn. Bhd.	-	28,183
	Birlasoft Consulting Inc. USA	1,144,147	3,150,482
	BirlasoftSolutions MEFZE,Australia	96,147	136,713
Birlasoft Computer Corporation, USA	7,305,326	7,750,050	
		133,718,587	120,777,765
Bad debts transfer	Birlasoft Limited	2,808,470	-
		2,808,470	-
Investment in Subsidiary	Birlasoft Solutions Mexico S.A.DE C.V.	89,655	-
		89,655	-
Advance taken (net)	Birlasoft Limited	5,277,400	(128,536)
	Birlasoft Computer Corporation, USA	(305,930)	(444,411)
	Birlasoft Consulting Inc. USA	713,426	12,982
	Birlasoft Inc.	(5,171,233)	(1,940,160)
	Birlasoft Solutions Limited ,UK	3,784	-
Birlasoft Technologies Canada Corporation	-	(89,025)	
		517,448	(2,589,150)
Reimbursement of expenses (net)	Birlasoft Computer Corporation, USA	(137,878)	-
	Birlasoft Consulting Inc. USA	23,978	-
	Birlasoft Limited	(567,778)	(400,246)
	Birlasoft Inc.	(128,542)	(214,086)
	Birlasoft Technologies Canada Corporation	(22,283)	-
		(832,504)	(614,332)
Salary	Indu Nangia	283,919	284,261
	Angan Guha	1,888,430	1,336,000
		2,172,349	1,620,261
Visa Services	USILaw, Inc.	48,385	-
		48,385	-
IPR fees	CK Birla Corporate Services Limited	(9,314)	61,552
		(9,314)	61,552

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

26 Related party disclosures (continued)

C Outstanding Balance at the year end of related parties

Nature of Balance	Related party name	31 March 2024	31 March 2023
Trade receivables	Birlasoft Limited	539,527	2,810,953
	Birlasoft Solutions France	(20,698)	24,862
	Birlasoft Computer Corporation, USA	565,902	5,905,083
	Birlasoft Consulting Inc. USA	1,998,228	1,497,244
	Birlasoft Solutions Limited (UK)	3,763,205	2,232,536
	Birlasoft Solutions GmbH	509,719	275,678
	Birlasoft Inc.	2,535,653	2,571,563
	Birlasoft (UK) Limited	1,257,184	713,905
	Birlasoft Technologies Canada Corporation	35,952	26,513
	Birlasoft Solutions Mexico S.A.DE C	184,718	184,707
	11,369,390	16,243,044	
Trade Payables	Birlasoft Limited	19,507,495	3,914,199
	Birlasoft (UK) Limited	48,757	372,412
	Birlasoft Technologies Canada Corporation	156,926	3,512,274
	Birlasoft Solutions Ltda	171,120	137,872
	Birlasoft Solutions France	-	(1,880,849)
	Birlasoft Solutions GmbH	-	17
	Birlasoft Inc.	644,886	6,136,978
	Birlasoft Solutions Mexico S.A.DE C.V.	(334,395)	(211,347)
	Birlasoft Solutions Limited ,UK	106,020	87,614
	Birlasoft Sdn. Bhd.	-	3,203
	Birlasoft Solutions Inc.	-	-
	BirlasoftSolutions MEFZE,Australia	8,523	15,527
	Birlasoft Consulting Inc. USA	292,044	224,914
Birlasoft Computer Corporation, USA	1,038,534	13,517,033	
	21,639,910	25,829,847	
Other payable/receivable	Birlasoft Limited	4,854,752	(48,891)
	Birlasoft Technologies Canada Corporation	(22,283)	-
	Birlasoft Computer Corporation, USA	(230,934)	(7,368)
	Birlasoft Consulting Inc. USA	437,656	-
	Birlasoft Solutions Limited ,UK	3,784	-
	Birlasoft Inc.	(2,011,971)	(714,601)
	3,031,004	(770,860)	

27 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2024 (previous year 31 March 2023 - nil)

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

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

Angan Guha
Director
Place - New Delhi
Date - 29 April 2024

Birlasoft Consulting, Inc.

Registered Office: 379 Thornall St, 12th 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, 2024.

Financial Results

Particulars	2023-24 USD (Million)	2022-23 USD (Million)
Total Income	14.01	18.16
Net Profit / (Loss) for the year	2.75	(1.48)

Operations

During the year under review, the total income of the Company decreased by 22.87 %, and expenses were reduced by 38% which resulted in net profit of USD 2.75 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. Angan Guha 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
Birlasoft Consulting, Inc.

New Delhi
April 29, 2024

Angan Guha
Director

Birlasoft Inc.

Balance Sheet

as at 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2A	8,728	23,935
Right-of-use assets	2B	2,171,811	-
Capital work-in-progress		20,000	-
Goodwill	2C	-	373,320
Other intangible assets	2C	-	-
Financial assets			
Investments	3	278,780	278,780
Other financial assets	4	19,418	71,930
Income tax assets (net)		-	183,873
Deferred tax assets (net)	5	5,042,470	4,829,900
Other non-current assets	6	257,570	23,514
		<u>7,798,777</u>	<u>5,785,252</u>
Current assets			
Financial assets			
Investments	7	38,268,384	22,003,147
Trade receivables	8	46,493,267	45,884,801
Cash and cash equivalents	9	5,646,575	4,002,792
Other financial assets	10	98,938	-
Other current assets	11	8,639,571	7,155,836
		<u>99,146,735</u>	<u>79,046,576</u>
TOTAL ASSETS		<u>106,945,512</u>	<u>84,831,828</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	500,000	500,000
Other equity		78,521,305	63,119,789
Total equity		<u>79,021,305</u>	<u>63,619,789</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	13	2,039,327	-
Other financial liabilities	14	155,006	165,492
Provisions	15	10,997	-
		<u>2,205,330</u>	<u>165,492</u>
Current liabilities			
Financial liabilities			
Trade payables	16	11,412,736	11,731,114
Lease liabilities	17	206,090	-
Other financial liabilities	18	6,292,328	3,767,293
Other current liabilities	19	4,955,208	3,222,252
Provisions	20	1,833,171	2,325,888
Income tax liabilities (net)		1,019,344	-
		<u>25,718,877</u>	<u>21,046,547</u>
TOTAL EQUITY AND LIABILITIES		<u>106,945,512</u>	<u>84,831,828</u>
Material 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 Inc.

Birlasoft Inc.

Statement of Profit and Loss for the year ended 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
Revenue from operations	21	271,685,416	260,272,608
Other income (net)	22	2,092,278	7,459
Total income		273,777,694	260,280,067
Expenses			
Employee benefits expense	23	57,680,561	62,815,979
Finance costs	24	1,034,747	753,482
Depreciation and amortization expense	2	462,146	406,664
Other expenses	25	186,600,561	172,127,631
Total expenses		245,778,015	236,103,756
Profit before exceptional items and tax		27,999,679	24,176,311
Exceptional items		-	-
Profit before tax		27,999,679	24,176,311
Tax expense			
Current tax		7,810,733	5,965,750
Deferred tax (benefit)/charge		(212,570)	(463,949)
Total tax expense		7,598,163	5,501,801
Profit for the year		20,401,516	18,674,510
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 Inc.

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Inc.

Statement of changes in equity for the year ended 31 March 2024

(Amount in USD)

A Equity share capital	Amount
Balance as at 01 April 2022	500,000
Changes in equity share capital during 2022-23	-
Balance as on 31 March 2023	500,000
Changes in equity share capital during 2023-24	-
Balance as on 31 March 2024	500,000

B Other equity

Particulars	Retained earnings	Total
Balance as at 01 April 2022	44,445,279	44,445,279
Profit for the year	18,674,510	18,674,510
Balance as on 31 March 2023	63,119,789	63,119,789
Dividend paid	(5,000,000)	(5,000,000)
Profit for the year	20,401,516	20,401,516
Balance as on 31 March 2024	78,521,305	78,521,305

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

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Inc.
Statement of Cash Flows
for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	27,999,679	24,176,311
Adjustments for		
Depreciation / Amortization	462,146	406,664
Interest expense	1,034,747	753,482
Interest income	(17,154)	-
Gain on sale / redemption of mutual funds	-	(100,368)
Fair value gain on financial assets (investments) at fair value through profit or loss	(1,765,237)	(3,147)
Provision for doubtful debts and advances (net)	443,877	128,819
Unrealised foreign exchange loss/(gain)	5,435	98,545
Operating Profit before working capital changes	<u>28,163,493</u>	<u>25,460,306</u>
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(1,052,850)	(7,028,148)
Loans, other financial assets and other assets	(1,764,217)	(475,378)
Trade Payables	(323,307)	1,176,990
Other financial liabilities, other liabilities and provisions	3,765,785	(223,117)
Cash generated from operations	<u>28,788,904</u>	<u>18,910,653</u>
Income taxes paid	(6,607,516)	(4,895,316)
Net cash generated from operating activities (A)	<u>22,181,388</u>	<u>14,015,337</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(2,265,429)	(13,633)
Purchase of investments	(220,685,311)	(60,899,632)
Sale of investments carried at fair value through profit and loss (net)	206,185,311	48,500,000
Interest received	17,154	-
Net cash used in investing activities (B)	<u>(16,748,275)</u>	<u>(12,413,265)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	2,205,862	-
Dividend paid	(5,000,000)	-
Interest and finance charges paid	(995,192)	(753,482)
Net cash used in financing activities (C)	<u>(3,789,330)</u>	<u>(753,482)</u>
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	<u>1,643,783</u>	<u>848,590</u>
Cash and cash equivalents at end of the year (Refer note 1 below)	5,646,575	4,002,792
Cash and cash equivalents at beginning of the year (Refer note 1 below)	4,002,792	3,154,202
Net Increase/ (decrease) in cash and cash equivalents	<u>1,643,783</u>	<u>848,590</u>
Note 1 :		
Cash and cash equivalents include:		
Balance with banks		
- In current accounts	3,123,590	4,002,792
Total Cash and cash equivalents	<u>5,646,575</u>	<u>4,002,792</u>
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.

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

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 and media, Auto and consumer packaged goods)verticals.

1 Material 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

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

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

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

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.3 Revenue recognition (continued)

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

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

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

Unearned revenue ("contract liability") is recognized when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

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

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

1.4 Property, plant and equipment

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

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.5 Intangible assets

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

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

Intangible 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.

1.6 Depreciation and amortization

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

Type of asset	Useful life (No. of years)
Buildings	25
Plant and equipment	3-4
Office Equipment	5-10
Owned Vehicle	3-5
Furniture and fixtures	7-10

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

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The management's estimates of the useful lives of intangible assets for computing amortization are as follows:

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

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

1.7 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

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 Companyed together into the smallest Company 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.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.7 Impairment (continued)

b. Non- financial assets (continued)

i. Property, plant and equipment and intangible assets (continued)

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

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

1.8 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. 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.

1.10 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.

1.11 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.

1.12 Provisions, Contingent liabilities and Contingent assets

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

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

No provision is recognized for –

- 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.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.12 Provisions, Contingent liabilities and Contingent assets (continued)

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.13 Share based payments

In respect of stock options granted by the parent company, pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.14 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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. The method of assessing fair value result in general approximation of value and such value may never actually be realized.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

d. Fair value of financial instruments (continued)

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

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

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

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

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

1.15 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.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2A Property, plant and equipment

	Computers	Furniture and Fixtures	Office Equipment	Total
Gross carrying amount as at 1 April 2022	377,175	259,468	43,365	680,008
Assets transferred on merger	95,010	44,477	-	139,487
Additions	13,633	-	-	13,633
Disposal	95,010	198,602	-	293,612
Gross carrying amount as at 31 March 2023	390,808	105,343	43,365	539,516
Accumulated depreciation as at 1 April 2022	360,482	239,609	37,297	637,388
Assets transferred on merger	95,010	44,477	-	139,487
Depreciation for the year	15,253	12,951	4,114	32,318
Disposal	95,010	198,602	-	293,612
Accumulated depreciation as at 31 March 2023	375,735	98,435	41,411	515,581
Gross carrying amount as at 1 April 2023	390,808	105,343	43,365	539,516
Reclass	18,637	(18,637)	-	-
Additions	-	-	-	-
Gross carrying amount as at 31 March 2024	409,445	86,706	43,365	539,516
Accumulated depreciation as at 1 April 2023	375,735	98,435	41,411	515,581
Reclass	18,175	(18,175)	-	-
Depreciation for the year	6,809	6,446	1,953	15,208
Accumulated depreciation as at 31 March 2024	400,718	86,706	43,365	530,788
Net Carrying amount as at 31 March 2023	15,074	6,908	1,953	23,935
Net Carrying amount as at 31 March 2024	8,727	-	-	8,728

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 1 April 2022	-	-
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2023	-	-
Accumulated depreciation as at 01 April 2022	-	-
Depreciation for the year	-	-
Disposal	-	-
Accumulated depreciation as at 31 March 2023	-	-
Gross carrying amount as at 1 April 2023	-	-
Additions	2,245,429	2,245,429
Disposal	-	-
Gross carrying amount as at 31 March 2024	2,245,429	2,245,429
Accumulated depreciation as at 01 April 2023	-	-
Depreciation for the year	73,618	73,618
Disposal	-	-
Accumulated depreciation as at 31 March 2024	73,618	73,618
Net Carrying amount as at 31 March 2023	-	-
Net Carrying amount as at 31 March 2024	2,171,811	2,171,811

2C Other intangible assets

	Intangible Assets	Goodwill	Other than Internally Generated Software	Total
Gross carrying amount as at 1 April 2022	-	-	629,866	629,866
Assets transferred on merger	3,390,000	3,740,951	-	7,130,951
Additions	-	-	-	-
Disposal	3,390,000	-	-	3,390,000
Gross carrying amount as at 31 March 2023	-	3,740,951	629,866	4,370,817
Accumulated depreciation as at 1 April 2022	-	-	629,866	629,866
Assets transferred on merger	3,390,000	2,993,285	-	6,383,285
Depreciation for the year	-	374,346	-	374,346
Disposal	3,390,000	-	-	3,390,000
Accumulated depreciation as at 31 March 2023	-	3,367,631	629,866	3,997,497
Gross carrying amount as at 1 April 2023	-	3,740,951	629,866	4,370,817
Additions	-	-	-	-
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2024	-	3,740,951	629,866	4,370,817
Accumulated depreciation as at 1 April 2023	-	3,367,631	629,866	3,997,497
Depreciation for the year	-	373,320	-	373,320
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2024	-	3,740,951	629,866	4,370,817
Net Carrying amount as at 31 March 2023	-	373,320	-	373,320
Net Carrying amount as at 31 March 2024	-	-	-	-

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
3 Non-Current investments		
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft UK Ltd (150,000 (Previous year 150,000) Equity shares of face value £ 1 each fully paid up)	278,780	278,780
	278,780	278,780
4 Other financial assets		
Security deposits	19,418	71,930
	19,418	71,930
5 Deferred tax assets (net)		
Deferred tax assets		
-Provision for compensated absences	331,863	566,408
-Other Payroll provisions	34,022	31,916
-Advance billing	384,271	105,359
-Export Debtor	2,554,423	2,734,130
-Insurance payable	366,639	366,431
-Retention bonus	136,982	132,631
-Right Of Use Assets	625,431	-
-ESOP	557,051	-
-Others	700,930	899,717
	5,691,613	4,836,592
Deferred tax liabilities		
-Provision for depreciation	2,515	6,692
-Right Of Use Assets	646,628	-
	649,143	6,692
Net deferred tax asset	5,042,470	4,829,900
6 Other non-current assets		
Contract Fulfillment Cost	257,570	23,514
	257,570	23,514

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
7 Current investments		
Investments in Mutual funds measured at fair value through profit or loss (quoted)		
HSBC Mutual Fund	38,268,384	22,003,147
	38,268,384	22,003,147
8 Trade receivables		
A Billed		
Trade Receivables considered good - Unsecured	33,036,963	33,888,551
Trade Receivables - credit impaired	393,759	128,819
	33,430,722	34,017,370
Less: Allowances for bad and doubtful trade receivables	393,759	128,819
	33,036,963	33,888,551
B Unbilled	13,456,304	11,996,250
	46,493,267	45,884,801
Note:		
Trade receivables include due from related parties USD 14590194.86 (Previous year USD 13732357) (Refer note 26).		
9 Cash and bank balances		
Cash and cash equivalents		
- Cheques in hand	2,522,985	-
Balances with banks		
- In current accounts	3,123,590	4,002,792
	5,646,575	4,002,792
10 Other current financial assets		
Security deposits	98,938	-
	98,938	-
11 Other current assets (Unsecured, considered good unless otherwise stated)		
Employee advances	53,921	232,428
Advance to suppliers	5,671	65,652
Contract assets -from fixed price contracts	6,034,682	5,775,685
Prepaid expenses	335,587	118,687
Contract Fulfillment Cost	27,132	142,101
Balances with statutory authorities	-	13,146
Other receivables from related party (Refer note 26)	2,139,414	746,123
Others	43,164	62,014
	8,639,571	7,155,836

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

12 Equity share capital

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

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
13 Lease liabilities - non-current		
Lease liabilities	2,039,327	-
	<u>2,039,327</u>	<u>-</u>
14 Other Non Current financial liabilities		
Accrued employee costs	155,006	165,492
	<u>155,006</u>	<u>165,492</u>
15 Non Current Provisions		
Other provisions		
- Provision for lease restoration costs	10,997	-
	<u>10,997</u>	<u>-</u>

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
16 Trade payables		
Total outstanding dues of trade payables	11,412,736	11,731,114
	11,412,736	11,731,114
Note:		
Trade payables include due to related parties USD 3082505.34 (Previous year 3337386 USD) (Refer note 26).		
17 Lease liabilities - current		
Lease liabilities	206,090	-
	206,090	-
18 Other current financial liabilities		
Accrued employee costs	5,873,879	3,705,193
Payable to related party (Refer note 26)	418,449	62,100
	6,292,328	3,767,293
19 Other current liabilities		
Unearned revenue	3,335,961	942,102
Advances from customers	1,431,956	2,051,536
Statutory remittances	187,291	228,614
	4,955,208	3,222,252
20 Provisions - current		
Provision for employee benefits		
- Compensated Absences	1,831,161	2,325,888
- Provision for Onerous contracts	1,138	-
- Provision for lease restoration costs	872	-
	1,833,171	2,325,888

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

21 Revenue from operations

Software services	271,685,416	260,272,608
	271,685,416	260,272,608

22 Other income

Interest income	17,154	-
Foreign exchange gain (net)	(6,852)	(96,056)
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	252,083	-
Gain on sale / redemption of mutual funds (net)	-	100,368
Fair value gain on financial assets (investments) at fair value through profit or loss	1,765,237	3,147
Miscellaneous income	64,656	-
	2,092,278	7,459

Birlasoft Inc.

Notes forming part of the financial statements (continued) for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
23 Employee benefits expense		
Salaries, wages and incentives	56,365,547	61,958,868
Share based compensation to employees	1,091,698	684,134
Staff welfare expenses	223,316	172,977
	57,680,561	62,815,979
24 Finance costs		
Interest expense	6	4,008
Interest on lease liabilities	39,555	-
Bill discounting charges	995,186	749,474
	1,034,747	753,482
25 Other expenses		
Travel and overseas expenses (net)	2,250,765	2,538,981
Cost of service delivery (net)	135,849,569	115,736,820
Cost of professional sub-contracting (net)	44,284,675	50,893,437
Recruitment and training expenses	476,545	549,265
Power and fuel	12,826	13,781
Rent	341,486	254,834
Repairs and maintenance -		
- plant and equipment	378,808	46,163
- others	36,264	20,009
Insurance	10,465	11,342
Rates and taxes	296,520	362,500
Communication expenses (net)	73,362	87,490
Legal and professional fees	587,993	565,503
Marketing expenses	887,006	498,621
Provision for doubtful debts and advances (net)	443,877	128,819
Miscellaneous expenses (net)	670,400	420,066
	186,600,561	172,127,631

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

26 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 (Direct holding)	Birlasoft (UK) Limited (including Netherland Branch)
Fellow Subsidiary Companies	Birlasoft Solutions Inc.
	Birlasoft Technologies Canada Corporation
	Birlasoft Computer Corporation, USA
	Birlasoft Consulting Inc. USA
	Birlasoft Solutions ME FZE
	Birlasoft Solutions Mexico S.A.DE C.V.
	Birlasoft Solutions Limited ,UK
	Birlasoft Solutions GmbH
	Birlasoft Solutions France
Director interested companies	USILaw, Inc.
	CK Birla Corporate Services Limited
Key Management Personnel (KMP)	Roopinder Singh
	Nitesh Mirchandani
	Vikram Chandna

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

26 Related party disclosures (continued)

B Transactions during the year with related party

Transaction	Related party name	31 March 2024	31 March 2023
Sale of Software Services	Birlasoft Limited	53	8,259
	Birlasoft (UK) Limited	160,077	171,515
	Birlasoft Technologies Canada Corporation	8,603	61,978
	Birlasoft Solutions Limited ,UK	321,437	880,775
	Birlasoft Solutions Inc.	7,369,788	6,534,486
	Birlasoft Consulting Inc. USA	337,115	420,449
	Birlasoft Computer Corporation, USA	875,352	534,332
	Birlasoft Solutions France	-	3,375
	Birlasoft Solutions Mexico S.A.DE C.V.	-	18,953
	Birlasoft Sdn. Bhd, Malaysia	4,209	-
		9,076,633	8,634,122
Software Services Charges	Birlasoft Limited	105,516,830	100,145,948
	Birlasoft (UK) Limited	593,493	518,289
	Birlasoft Technologies Canada Corporation	1,060,129	1,293,919
	Birlasoft Solutions France	142,971	185,234
	Birlasoft Solutions GmbH	79,527	73,681
	Birlasoft Solutions Mexico S.A.DE C.V.	772,319	279,250
	Birlasoft Solutions Limited ,UK	996,349	1,607,063
	Birlasoft Solutions Inc.	25,063,849	14,477,849
	Birlasoft Consulting Inc. USA	661,092	872,403
	BirlasoftSolutions MEFZE,Australia	-	11,253
Birlasoft Computer Corporation, USA	590,112	700,706	
		135,476,668	120,165,595
Bad debts transfer	Birlasoft Limited	609,688	-
		609,688	-
Dividend	Birlasoft Limited	5,000,000	-
		5,000,000	-
Advance taken (net)	Birlasoft Limited	154,449	(75,075)
	Birlasoft Computer Corporation, USA	4,404	-
	Birlasoft Consulting Inc. USA	311,785	215,986
	Birlasoft Solutions Inc.	5,171,233	1,940,160
		5,641,872	2,081,071
Reimbursement of expenses (net)	Birlasoft Computer Corporation, USA	48,445	88,163
	Birlasoft Consulting Inc. USA	36,821	67,386
	Birlasoft Limited	(1,121,109)	(722,331)
	Birlasoft Solutions Inc.	128,542	214,086
	Birlasoft Solutions Limited (UK)	12,653	-
		(894,649)	(352,696)
Salary	Roopinder Singh	1,155,615	1,220,357
	Nitesh Mirchandani	542,085	455,812
	Vikram Chandna	145,914	-
		1,843,614	1,676,169
Visa Services	USILaw, Inc.	619,509	1,428,105
		619,509	1,428,105
IPR fees	CK Birla Corporate Services Limited	74,747	115,785
		74,747	115,785

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

26 Related party disclosures (continued)

C Outstanding Balance at the year end of related parties

Nature of Balance	Related party name	31 March 2024	31 March 2023
Trade receivables	Birlasoft Solutions Inc	644,886	6,136,978
	Birlasoft Limited	11,003,480	3,984,568
	Birlasoft Solutions France	-	3,375
	Birlasoft Computer Corporation, USA	96,671	1,067,935
	Birlasoft Consulting Inc. USA	608,457	771,194
	Birlasoft Solutions Limited (UK)	1,803,789	1,482,353
	Birlasoft Limited, Switzerland Bran	1,479	-
	Birlasoft (UK) Limited	412,480	257,639
	Birlasoft Technologies Canada Corporation	-	9,362
	Birlasoft Solutions Mexico S.A.DE C	18,953	18,953
		14,590,195	13,732,357
Trade Payables	Birlasoft Limited,Singapore Branch	20,411	81,917
	Birlasoft (UK) Limited	61,123	95,432
	Birlasoft Technologies Canada Corporation	192,094	199,380
	Birlasoft Solutions France	3,684	36,164
	Birlasoft Solutions GmbH	6,649	13,128
	Birlasoft Solutions Mexico S.A.DE C.V.	(142,486)	55,385
	Birlasoft Solutions Limited ,UK	121,762	111,041
	Birlasoft Solutions Inc.	2,535,653	2,571,563
	BirlasoftSolutions MEFZE,Australia	(1,009)	(1,009)
	Birlasoft Consulting Inc. USA	160,645	73,718
	Birlasoft Computer Corporation, USA	123,979	100,667
	3,082,505	3,337,386	
Other payable/receivable	Birlasoft Limited	(405,826)	(62,100)
	Birlasoft Technologies Canada Corporation	(12,653)	-
	Birlasoft Computer Corporation, USA	22,020	8,808
	Birlasoft Consulting Inc. USA	105,423	22,712
	Birlasoft Solutions Inc.	2,011,971	714,601
	1,720,936	684,021	

27 The management of respective entities approved and authorized the merger of Enablepath LLC (a wholly-owned subsidiary of the Company) into the Company upon the terms and conditions as set forth in the Agreement and Plan of Merger, effective 01 April 2023.

28 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2024 (previous year 31 March 2023 - nil)

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

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

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

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, 2024.

Financial Results

Particulars	2023-24 MXN (Million)	2022-23 MXN (Million)
Total Income	45.43	22.17
Net Profit / (Loss) for the year	1.89	(7.61)

Operations

During the year under review, total income of the Company has increased by 104.93 % which resulted in net profit of MXN 1.89 million.

Board of Directors

During the year under review, there were no changes in the composition of the Board of Directors of the Company. Mr. Angan Guha 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
Birlasoft Solutions Mexico S.A. DE C.V

New Delhi
April 29, 2024

Angan Guha
Director

Birlasoft Solutions Mexico S.A. DE C.V.

Balance Sheet

as at 31 March 2024

(Currency MXN)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2A	258,759	-
Right-of-use assets	2B	1,408,084	-
Income tax assets (net)		1,290,170	813,728
		2,957,013	813,728
Current assets			
Financial assets			
Trade receivables	3	9,653,740	4,494,406
Cash and cash equivalents	4	3,662,189	1,697,416
Other financial assets	5	221,167	240,000
Other current assets	6	52,850	55,172
		13,589,946	6,486,994
TOTAL ASSETS		16,546,959	7,300,722
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	1,550,000	50,000
Other equity		(7,422,571)	(9,308,699)
Total equity		(5,872,571)	(9,258,699)
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	8	17,104,219	13,091,634
Lease liabilities	9	1,446,428	-
Other financial liabilities	10	63,207	-
Other current liabilities	11	3,064,026	2,726,137
Income tax liabilities (net)		741,650	741,650
		22,419,530	16,559,421
TOTAL EQUITY AND LIABILITIES		16,546,959	7,300,722
Material accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-19		

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Angan Guha
Director

Roopinder Singh
Director

Place - New Delhi
Date - 29 April 2024

Place - New Jersey
Date - 29 April 2024

Birlasoft Solutions Mexico S.A. DE C.V.

Statement of Profit and Loss

for the year ended 31 March 2024

(Currency MXN)

	Note	31 March 2024	31 March 2023
Revenue from operations	12	44,930,969	22,518,906
Other income (net)	13	500,057	(350,033)
Total income		45,431,026	22,168,873
Expenses			
Employee benefits expense	14	30,518,905	14,991,042
Finance costs	15	178,448	6,913
Depreciation and amortization expense	2	1,488,165	-
Other expenses	16	11,359,380	14,213,339
Total expenses		43,544,898	29,211,294
Profit before tax		1,886,128	(7,042,421)
Tax expense			
Current tax		-	568,096
Total tax expense		-	568,096
Profit for the year		1,886,128	(7,610,517)
Material accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-19		

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Angan Guha
Director

Place - New Delhi
Date - 29 April 2024

Roopinder Singh
Director

Place - New Jersey
Date - 29 April 2024

Birlasoft Solutions Mexico S.A. DE C.V.

Statement of Cash Flows

for the year ended 31 March 2024

(Currency MXN)

	31 March 2024	31 March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year	1,886,128	(7,042,421)
Adjustments for		
Depreciation / Amortization	1,488,165	-
Interest expense	178,448	6,913
Interest income	(17,355)	-
Provision for doubtful debts and advances (net)	574,190	(574,190)
Bad debts written off	(909,996)	-
Unrealised foreign exchange loss/(gain)	973,737	536,222
Operating Profit before working capital changes	4,173,317	(7,073,476)
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(4,860,827)	619,765
Loans, other financial assets and other assets	2,322	(54,524)
Trade Payables	3,076,147	4,536,710
Other financial liabilities, other liabilities and provisions	401,096	(1,934,005)
Cash generated from operations	2,792,055	(3,905,530)
Income taxes paid	(476,442)	(640,174)
Net cash generated from operating activities (A)	2,315,613	(4,545,704)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(338,840)	-
Net cash used in investing activities (B)	(338,840)	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and Application money	1,500,000	-
Repayment of lease liabilities	(1,512,000)	-
Interest paid	-	(6,913)
Net cash used in financing activities (C)	(12,000)	(6,913)
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	1,964,773	(4,552,617)
Cash and cash equivalents at end of the year (Refer note 1 below)	3,662,189	1,697,416
Cash and cash equivalents at beginning of the year (Refer note 1 below)	1,697,416	6,250,033
Net Increase/ (decrease) in cash and cash equivalents	1,964,773	(4,552,617)
Note 1 :		
Cash and cash equivalents include:		
Balance with banks		
- In current accounts	3,662,189	1,697,416
Total Cash and cash equivalents	3,662,189	1,697,416
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.

Angan Guha
Director

Roopinder Singh
Director

Place - New Delhi
Date - 29 April 2024

Place - New Jersey
Date - 29 April 2024

Birlasoft Solutions Mexico S.A. DE C.V.

Statement of changes in equity

for the year ended 31 March 2024

(Currency MXN)

A Equity share capital	Amount
Balance as at 01 April 2022	50,000
Changes in equity share capital during 2022-23	
Balance as at 31 March 2023	50,000
Changes in equity share capital during 2023-24	1,500,000
Balance as at 31 March 2024	1,550,000

B Other equity

	Retained earnings	Total
Balance as at 01 April 2022	(1,698,182)	(1,698,182)
Profit /(Loss) for the year	(7,610,517)	(7,610,517)
Balance as at 01 April 2023	(9,308,699)	(9,308,699)
Profit for the year	1,886,128	1,886,128
Balance as at 31 March 2024	(7,422,571)	(7,422,571)

For and on behalf of the Board of Directors of
Birlasoft Solutions Mexico S.A. DE C.V.

Angan Guha
Director

Place - New Delhi
Date - 29 April 2024

Roopinder Singh
Director

Place - New Jersey
Date - 29 April 2024

Birlasoft Solutions Mexico, S.A. DE C.V.

Notes forming part of the financial statements

for the year ended 31 March 2024

1. Company Overview:

Birlasoft Solutions Mexico, S.A. DE C.V. ("the Company") is a Company incorporated in Mexico City on October 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. Material 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.

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:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is twelve months.

1.3 Revenue recognition

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

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

Birlasoft Solutions Mexico, S.A. DE C.V.

Notes forming part of the financial statements

for the year ended 31 March 2024

1.3 Revenue recognition (continued)

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

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

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

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

Unearned revenue ("contract liability") is recognized when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for. The Company disaggregates revenue from contracts with customers by geography and business verticals.

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Birlasoft Solutions Mexico, S.A. DE C.V.

Notes forming part of the financial statements

for the year ended 31 March 2024

1.4 Property, plant and equipment

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

1.5 Intangible assets

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

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

Intangible 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.

1.6 Depreciation and amortization

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

Type of asset	Useful life (No. of years)
Buildings	25
Plant and equipment	3-4
Office Equipment	5-10
Owned Vehicle	3-5
Furniture and fixtures	7-10

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

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The management's estimates of the useful lives of intangible assets for computing amortization are as follows:

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

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

1.7 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.

Birlasoft Solutions Mexico, S.A. DE C.V.

Notes forming part of the financial statements

for the year ended 31 March 2024

1.7 Impairment (continued)

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 Companyed together into the smallest Company of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

1.8 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. 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.

1.9 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.

1.10 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.

1.11 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.

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.

Birlasoft Solutions Mexico, S.A. DE C.V.

Notes forming part of the financial statements

for the year ended 31 March 2024

1.11 Provisions, Contingent liabilities and Contingent assets (continued)

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.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.12 Share based payments

In respect of stock options granted by the parent company, pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.13 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

Birlasoft Solutions Mexico, S.A. DE C.V.

Notes forming part of the financial statements

for the year ended 31 March 2024

d. Fair value of financial 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

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

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

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

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

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

1.14 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.

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Currency MXN)

2A Property, plant and equipment

	Computers	Total
Gross carrying amount as at 1 April 2022	-	-
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2023	-	-
Accumulated depreciation as at 1 April 2022	-	-
Depreciation for the year	-	-
Disposal	-	-
Accumulated depreciation as at 31 March 2023	-	-
Gross carrying amount as at 1 April 2023	-	-
Additions	338,840	338,840
Disposal	-	-
Gross carrying amount as at 31 March 2024	338,840	338,840
Accumulated depreciation as at 1 April 2023	-	-
Depreciation for the year	80,081	80,081
Disposal	-	-
Accumulated depreciation as at 31 March 2024	80,081	80,081
Net Carrying amount as at 31 March 2023	-	-
Net Carrying amount as at 31 March 2024	258,759	258,759

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 01 April 2022	-	-
Additions	-	-
Foreign exchange translation	-	-
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2023	-	-
Accumulated depreciation as at 01 April 2022	-	-
Depreciation	-	-
Foreign exchange translation	-	-
Disposal/retirements/derecognition	-	-
Accumulated depreciation as at 31 March 2023	-	-
Gross carrying amount as at 01 April 2023	-	-
Additions	2,816,168	2,816,168
Foreign exchange translation	-	-
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2024	2,816,168	2,816,168
Accumulated depreciation as at 01 April 2023	-	-
Depreciation	1,408,084	1,408,084
Foreign exchange translation	-	-
Disposal/retirements/derecognition	-	-
Accumulated depreciation as at 31 March 2024	1,408,084	1,408,084
Net Carrying amount as at 31 March 2023	-	-
Net Carrying amount as at 31 March 2024	1,408,084	1,408,084

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Currency MXN)

	31 March 2024	31 March 2023
3 Trade receivables		
<i>(Unsecured)</i>		
A Billed		
Trade Receivables considered good	9,382,758	3,940,241
Trade Receivables - credit impaired	-	915,619
	<u>9,382,758</u>	<u>4,855,860</u>
Less: Allowances for bad and doubtful trade receivables	-	915,619
	<u>9,382,758</u>	<u>3,940,241</u>
B Unbilled	270,982	554,165
	<u>9,653,740</u>	<u>4,494,406</u>
Note :		
Trade receivables include due from related parties current year - Nil (Previous year MXN 1091651) (Refer Note 17).		
4 Cash and bank balances		
Balances with banks		
- In current accounts	3,662,189	1,697,416
	<u>3,662,189</u>	<u>1,697,416</u>
5 Other current financial assets		
<i>(Unsecured, considered good unless otherwise stated)</i>		
- Security deposits	221,167	240,000
	<u>221,167</u>	<u>240,000</u>
6 Other current assets		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Employee advances	52,850	8,472
Prepaid expenses	-	46,700
	<u>52,850</u>	<u>55,172</u>

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Currency MXN)

31 March 2024 31 March 2023

7 Equity share capital

Issued subscribed and fully paid up:

50 Fixed Capital stock with value of \$ 1000 MXP	50,000	50,000
1500 Variable Capital stock with value of \$ 1000 MXP	1,500,000	-
	1,550,000	50,000

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Currency MXN)

	31 March 2024	31 March 2023
8 Trade payables		
Total outstanding dues of trade payables	17,104,219	13,091,634
	<u>17,104,219</u>	<u>13,091,634</u>
Note:		
Trade payables include due to related parties MXN 17277862 (Previous year MXN 13109826) (Refer note 17).		
9 Lease liabilities - current		
Lease liabilities	1,446,428	-
	<u>1,446,428</u>	<u>-</u>
10 Other current financial liabilities		
Accrued employee costs	63,207	-
	<u>63,207</u>	<u>-</u>
11 Other current liabilities		
Unearned revenue	295,409	341,417
Statutory remittances	2,768,617	2,384,720
	<u>3,064,026</u>	<u>2,726,137</u>

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Currency MXN)

	31 March 2024	31 March 2023
12 Revenue from operations		
Software services	44,930,969	22,518,906
	<u>44,930,969</u>	<u>22,518,906</u>
13 Other income		
Interest income	17,355	-
Foreign exchange gain (net)	482,702	(350,033)
	<u>500,057</u>	<u>(350,033)</u>

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Currency MXN)

31 March 2024 31 March 2023

14 Employee benefits expense

Salaries, wages and incentives	30,472,099	14,987,426
Staff welfare expenses	46,806	3,616
	30,518,905	14,991,042

15 Finance costs

Interest expense	-	6,913
Interest on lease liabilities	178,448	-
	178,448	6,913

16 Other expenses

Travel and overseas expenses (net)	444,753	124,046
Cost of service delivery (net)	7,431,559	8,720,009
Cost of professional sub-contracting (net)	-	115,705
Recruitment and training expenses	479,924	736,641
Rent	-	1,440,000
Insurance	47,636	46,700
Rates and taxes	9,873	71,715
Communication expenses (net)	14,090	2,307
Legal and professional fees	3,221,986	3,450,606
Marketing expenses	2,398	60,900
Bad debts written off	(909,996)	-
Provision for doubtful debts and advances (net)	574,190	(574,190)
Miscellaneous expenses (net)	42,967	18,900
	11,359,380	14,213,339

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Solutions Mexico S.A. DE C.V.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

17 Related party disclosures

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
Director interested company	CK Birla Corporate Services Limited

Birlasoft Solutions Mexico S.A. DE C.V.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Currency MXN)

17 Related party disclosures (continued)

B Transactions during the year with related party

Transaction	Related party name	31 March 2024	31 March 2023
Sale of Software Services	Birlasoft (UK) Limited	241,337	360,712
	Birlasoft Solutions Limited ,UK	273,826	59,850
	Birlasoft Solutions Inc.	19,361,115	5,969,358
	Birlasoft Computer Corporation, USA	-	7,434
	Birlasoft Inc.	13,299,752	5,471,028
		33,176,030	11,868,382
Software Services Charges	Birlasoft Limited	6,876,094	6,681,144
	Birlasoft Technologies Canada Corporation	555,275	1,119,940
	Birlasoft Solutions Inc.	190	832,640
	Birlasoft Consulting Inc. USA	-	81,104
	Birlasoft Inc.	-	373,168
		7,431,559	9,087,996
Bad debts transfer	Birlasoft Limited	1,692,910	-
		1,692,910	-
Issue of Shares	Birlasoft Solutions Inc.	1,500,000	-
		1,500,000	-
Advance taken (net)	Birlasoft Limited	-	(98,671)
		-	(98,671)
IPR fees	CK Birla Corporate Services Limited	2,398	-
		2,398	-

Birlasoft Solutions Mexico S.A. DE C.V.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Currency MXN)

C Outstanding Balance at the year end of related parties

Nature of Balance	Related party name	31 March 2024	31 March 2023
Trade receivables	Birlasoft Solutions Inc	-	(4,073,400)
	Birlasoft Limited	-	1,720,740
	Birlasoft Inc.	-	1,021,225
	Birlasoft Limited,Singapore Branch	-	2,055
	Birlasoft (UK) Limited	-	235,674
	Birlasoft Technologies Cananda Corporation	-	2,055
			-
Trade Payables	Birlasoft Limited	483,500	4,902,996
	Birlasoft Technologies Cananda Corporation	2,042,896	1,487,621
	Birlasoft Inc.	2,736,758	373,168
	Birlasoft Solutions Inc.	9,459,222	3,790,555
	Birlasoft Consulting Inc. USA	81,104	81,104
	Birlasoft Computer Corporation, USA	2,474,382	2,474,382
		17,277,862	13,109,826

18 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2024 (previous year 31 March 2023 - nil)

19 Previous year's figures have been regrouped / reclassified wherever necessary to conform 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.

Angan Guha
Director

Roopinder Singh
Director

Place - New Delhi
Date - 29 April 2024

Place - New Jersey
Date - 29 April 2024

Birlasoft Inc.

Registered Office: 379 Thornall St, 12th floor, Edison, New Jersey 08837, USA.

Board's Report

Dear Members,

Your Board of Directors are 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, 2024.

Financial Results

Particulars	2023-24 USD (Million)	2022-23 USD (Million)
Total Income	273.78	260.28
Net Profit / (Loss) for the year	20.40	18.67

Operations

During the year under review, total income of the Company increased by 5.19% resulting in net profit of USD 20.40 million.

Merger of wholly owned subsidiary

The management approved and authorized the merger of Enablepath LLC, a wholly owned subsidiary of the Company, into Birlasoft Inc. upon the terms and conditions as set forth in the Agreement and Plan of Merger, effective April 1, 2023.

Board of Directors

During the year under review, Ms. Nidhi Killawala was appointed as a Director effective January 24, 2024. Further, Ms. Nandita Gurjar & Mr. P C Agarwala ceased to be Directors effective end of business hours of January 14, 2024 and January 23, 2024. Further, Mr. Madhavan Hariharan was appointed as a Director effective April 1, 2024.

Mrs. Amita Birla, Mr. Chandrakant Birla, Mr. Angan Guha, Mr. S. S. Kejriwal, Ms. Anindita Chowdhury, Ms. Nidhi Killawala and Mr. Madhavan Hariharan 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
Birlasoft Inc.

New Delhi
April 29, 2024

Amita Birla
Director

Birlasoft Inc.

Balance Sheet

as at 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2A	8,728	23,935
Right-of-use assets	2B	2,171,811	-
Capital work-in-progress		20,000	-
Goodwill	2C	-	373,320
Other intangible assets	2C	-	-
Financial assets			
Investments	3	278,780	278,780
Other financial assets	4	19,418	71,930
Income tax assets (net)		-	183,873
Deferred tax assets (net)	5	5,042,470	4,829,900
Other non-current assets	6	257,570	23,514
		<u>7,798,777</u>	<u>5,785,252</u>
Current assets			
Financial assets			
Investments	7	38,268,384	22,003,147
Trade receivables	8	46,493,267	45,884,801
Cash and cash equivalents	9	5,646,575	4,002,792
Other financial assets	10	98,938	-
Other current assets	11	8,639,571	7,155,836
		<u>99,146,735</u>	<u>79,046,576</u>
TOTAL ASSETS		<u>106,945,512</u>	<u>84,831,828</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	500,000	500,000
Other equity		78,521,305	63,119,789
Total equity		<u>79,021,305</u>	<u>63,619,789</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	13	2,039,327	-
Other financial liabilities	14	155,006	165,492
Provisions	15	10,997	-
		<u>2,205,330</u>	<u>165,492</u>
Current liabilities			
Financial liabilities			
Trade payables	16	11,412,736	11,731,114
Lease liabilities	17	206,090	-
Other financial liabilities	18	6,292,328	3,767,293
Other current liabilities	19	4,955,208	3,222,252
Provisions	20	1,833,171	2,325,888
Income tax liabilities (net)		1,019,344	-
		<u>25,718,877</u>	<u>21,046,547</u>
TOTAL EQUITY AND LIABILITIES		<u>106,945,512</u>	<u>84,831,828</u>
Material 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 Inc.

Birlasoft Inc.

Statement of Profit and Loss for the year ended 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
Revenue from operations	21	271,685,416	260,272,608
Other income (net)	22	2,092,278	7,459
Total income		273,777,694	260,280,067
Expenses			
Employee benefits expense	23	57,680,561	62,815,979
Finance costs	24	1,034,747	753,482
Depreciation and amortization expense	2	462,146	406,664
Other expenses	25	186,600,561	172,127,631
Total expenses		245,778,015	236,103,756
Profit before exceptional items and tax		27,999,679	24,176,311
Exceptional items		-	-
Profit before tax		27,999,679	24,176,311
Tax expense			
Current tax		7,810,733	5,965,750
Deferred tax (benefit)/charge		(212,570)	(463,949)
Total tax expense		7,598,163	5,501,801
Profit for the year		20,401,516	18,674,510
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 Inc.

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Inc.

Statement of changes in equity for the year ended 31 March 2024

(Amount in USD)

A Equity share capital

Amount

Balance as at 01 April 2022	500,000
Changes in equity share capital during 2022-23	-
Balance as on 31 March 2023	500,000
Changes in equity share capital during 2023-24	-
Balance as on 31 March 2024	500,000

B Other equity

Particulars	Retained earnings	Total
Balance as at 01 April 2022	44,445,279	44,445,279
Profit for the year	18,674,510	18,674,510
Balance as on 31 March 2023	63,119,789	63,119,789
Dividend paid	(5,000,000)	(5,000,000)
Profit for the year	20,401,516	20,401,516
Balance as on 31 March 2024	78,521,305	78,521,305

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

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Inc.
Statement of Cash Flows
for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	27,999,679	24,176,311
Adjustments for		
Depreciation / Amortization	462,146	406,664
Interest expense	1,034,747	753,482
Interest income	(17,154)	-
Gain on sale / redemption of mutual funds	-	(100,368)
Fair value gain on financial assets (investments) at fair value through profit or loss	(1,765,237)	(3,147)
Provision for doubtful debts and advances (net)	443,877	128,819
Unrealised foreign exchange loss/(gain)	5,435	98,545
Operating Profit before working capital changes	<u>28,163,493</u>	<u>25,460,306</u>
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(1,052,850)	(7,028,148)
Loans, other financial assets and other assets	(1,764,217)	(475,378)
Trade Payables	(323,307)	1,176,990
Other financial liabilities, other liabilities and provisions	3,765,785	(223,117)
Cash generated from operations	<u>28,788,904</u>	<u>18,910,653</u>
Income taxes paid	(6,607,516)	(4,895,316)
Net cash generated from operating activities (A)	<u>22,181,388</u>	<u>14,015,337</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	(2,265,429)	(13,633)
Purchase of investments	(220,685,311)	(60,899,632)
Sale of investments carried at fair value through profit and loss (net)	206,185,311	48,500,000
Interest received	17,154	-
Net cash used in investing activities (B)	<u>(16,748,275)</u>	<u>(12,413,265)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	2,205,862	-
Dividend paid	(5,000,000)	-
Interest and finance charges paid	(995,192)	(753,482)
Net cash used in financing activities (C)	<u>(3,789,330)</u>	<u>(753,482)</u>
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	<u>1,643,783</u>	<u>848,590</u>
Cash and cash equivalents at end of the year (Refer note 1 below)	5,646,575	4,002,792
Cash and cash equivalents at beginning of the year (Refer note 1 below)	4,002,792	3,154,202
Net Increase/ (decrease) in cash and cash equivalents	<u>1,643,783</u>	<u>848,590</u>
Note 1 :		
Cash and cash equivalents include:		
Balance with banks		
- In current accounts	3,123,590	4,002,792
Total Cash and cash equivalents	<u>5,646,575</u>	<u>4,002,792</u>
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.

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

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 and media, Auto and consumer packaged goods)verticals.

1 Material 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

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

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

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

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.3 Revenue recognition (continued)

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

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

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

Unearned revenue ("contract liability") is recognized when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

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

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

1.4 Property, plant and equipment

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

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.5 Intangible assets

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

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

Intangible 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.

1.6 Depreciation and amortization

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

Type of asset	Useful life (No. of years)
Buildings	25
Plant and equipment	3-4
Office Equipment	5-10
Owned Vehicle	3-5
Furniture and fixtures	7-10

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

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The management's estimates of the useful lives of intangible assets for computing amortization are as follows:

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

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

1.7 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

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 Companyed together into the smallest Company 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.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.7 Impairment (continued)

b. Non- financial assets (continued)

i. Property, plant and equipment and intangible assets (continued)

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

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

1.8 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. 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.

1.10 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.

1.11 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.

1.12 Provisions, Contingent liabilities and Contingent assets

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

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

No provision is recognized for –

- 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.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

1.12 Provisions, Contingent liabilities and Contingent assets (continued)

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.13 Share based payments

In respect of stock options granted by the parent company, pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.14 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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. The method of assessing fair value result in general approximation of value and such value may never actually be realized.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

d. Fair value of financial instruments (continued)

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

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

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

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

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

1.15 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.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2A Property, plant and equipment

	Computers	Furniture and Fixtures	Office Equipment	Total
Gross carrying amount as at 1 April 2022	377,175	259,468	43,365	680,008
Assets transferred on merger	95,010	44,477	-	139,487
Additions	13,633	-	-	13,633
Disposal	95,010	198,602	-	293,612
Gross carrying amount as at 31 March 2023	390,808	105,343	43,365	539,516
Accumulated depreciation as at 1 April 2022	360,482	239,609	37,297	637,388
Assets transferred on merger	95,010	44,477	-	139,487
Depreciation for the year	15,253	12,951	4,114	32,318
Disposal	95,010	198,602	-	293,612
Accumulated depreciation as at 31 March 2023	375,735	98,435	41,411	515,581
Gross carrying amount as at 1 April 2023	390,808	105,343	43,365	539,516
Reclass	18,637	(18,637)	-	-
Additions	-	-	-	-
Gross carrying amount as at 31 March 2024	409,445	86,706	43,365	539,516
Accumulated depreciation as at 1 April 2023	375,735	98,435	41,411	515,581
Reclass	18,175	(18,175)	-	-
Depreciation for the year	6,809	6,446	1,953	15,208
Accumulated depreciation as at 31 March 2024	400,718	86,706	43,365	530,788
Net Carrying amount as at 31 March 2023	15,074	6,908	1,953	23,935
Net Carrying amount as at 31 March 2024	8,727	-	-	8,728

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 1 April 2022	-	-
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2023	-	-
Accumulated depreciation as at 01 April 2022	-	-
Depreciation for the year	-	-
Disposal	-	-
Accumulated depreciation as at 31 March 2023	-	-
Gross carrying amount as at 1 April 2023	-	-
Additions	2,245,429	2,245,429
Disposal	-	-
Gross carrying amount as at 31 March 2024	2,245,429	2,245,429
Accumulated depreciation as at 01 April 2023	-	-
Depreciation for the year	73,618	73,618
Disposal	-	-
Accumulated depreciation as at 31 March 2024	73,618	73,618
Net Carrying amount as at 31 March 2023	-	-
Net Carrying amount as at 31 March 2024	2,171,811	2,171,811

2C Other intangible assets

	Intangible Assets	Goodwill	Other than Internally Generated Software	Total
Gross carrying amount as at 1 April 2022	-	-	629,866	629,866
Assets transferred on merger	3,390,000	3,740,951	-	7,130,951
Additions	-	-	-	-
Disposal	3,390,000	-	-	3,390,000
Gross carrying amount as at 31 March 2023	-	3,740,951	629,866	4,370,817
Accumulated depreciation as at 1 April 2022	-	-	629,866	629,866
Assets transferred on merger	3,390,000	2,993,285	-	6,383,285
Depreciation for the year	-	374,346	-	374,346
Disposal	3,390,000	-	-	3,390,000
Accumulated depreciation as at 31 March 2023	-	3,367,631	629,866	3,997,497
Gross carrying amount as at 1 April 2023	-	3,740,951	629,866	4,370,817
Additions	-	-	-	-
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2024	-	3,740,951	629,866	4,370,817
Accumulated depreciation as at 1 April 2023	-	3,367,631	629,866	3,997,497
Depreciation for the year	-	373,320	-	373,320
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2024	-	3,740,951	629,866	4,370,817
Net Carrying amount as at 31 March 2023	-	373,320	-	373,320
Net Carrying amount as at 31 March 2024	-	-	-	-

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
3 Non-Current investments		
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft UK Ltd (150,000 (Previous year 150,000) Equity shares of face value £ 1 each fully paid up)	278,780	278,780
	278,780	278,780
4 Other financial assets		
Security deposits	19,418	71,930
	19,418	71,930
5 Deferred tax assets (net)		
Deferred tax assets		
-Provision for compensated absences	331,863	566,408
-Other Payroll provisions	34,022	31,916
-Advance billing	384,271	105,359
-Export Debtor	2,554,423	2,734,130
-Insurance payable	366,639	366,431
-Retention bonus	136,982	132,631
-Right Of Use Assets	625,431	-
-ESOP	557,051	-
-Others	700,930	899,717
	5,691,613	4,836,592
Deferred tax liabilities		
-Provision for depreciation	2,515	6,692
-Right Of Use Assets	646,628	-
	649,143	6,692
Net deferred tax asset	5,042,470	4,829,900
6 Other non-current assets		
Contract Fulfillment Cost	257,570	23,514
	257,570	23,514

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
7 Current investments		
Investments in Mutual funds measured at fair value through profit or loss (quoted)		
HSBC Mutual Fund	38,268,384	22,003,147
	38,268,384	22,003,147
8 Trade receivables		
A Billed		
Trade Receivables considered good - Unsecured	33,036,963	33,888,551
Trade Receivables - credit impaired	393,759	128,819
	33,430,722	34,017,370
Less: Allowances for bad and doubtful trade receivables	393,759	128,819
	33,036,963	33,888,551
B Unbilled	13,456,304	11,996,250
	46,493,267	45,884,801
Note:		
Trade receivables include due from related parties USD 14590194.86 (Previous year USD 13732357) (Refer note 26).		
9 Cash and bank balances		
Cash and cash equivalents		
- Cheques in hand	2,522,985	-
Balances with banks		
- In current accounts	3,123,590	4,002,792
	5,646,575	4,002,792
10 Other current financial assets		
Security deposits	98,938	-
	98,938	-
11 Other current assets (Unsecured, considered good unless otherwise stated)		
Employee advances	53,921	232,428
Advance to suppliers	5,671	65,652
Contract assets -from fixed price contracts	6,034,682	5,775,685
Prepaid expenses	335,587	118,687
Contract Fulfillment Cost	27,132	142,101
Balances with statutory authorities	-	13,146
Other receivables from related party (Refer note 26)	2,139,414	746,123
Others	43,164	62,014
	8,639,571	7,155,836

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

12 Equity share capital

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

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
13 Lease liabilities - non-current		
Lease liabilities	2,039,327	-
	<u>2,039,327</u>	<u>-</u>
14 Other Non Current financial liabilities		
Accrued employee costs	155,006	165,492
	<u>155,006</u>	<u>165,492</u>
15 Non Current Provisions		
Other provisions		
- Provision for lease restoration costs	10,997	-
	<u>10,997</u>	<u>-</u>

Birlasoft Inc.

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
16 Trade payables		
Total outstanding dues of trade payables	11,412,736	11,731,114
	<u>11,412,736</u>	<u>11,731,114</u>
Note:		
Trade payables include due to related parties USD 3082505.34 (Previous year 3337386 USD) (Refer note 26).		
17 Lease liabilities - current		
Lease liabilities	206,090	-
	<u>206,090</u>	<u>-</u>
18 Other current financial liabilities		
Accrued employee costs	5,873,879	3,705,193
Payable to related party (Refer note 26)	418,449	62,100
	<u>6,292,328</u>	<u>3,767,293</u>
19 Other current liabilities		
Unearned revenue	3,335,961	942,102
Advances from customers	1,431,956	2,051,536
Statutory remittances	187,291	228,614
	<u>4,955,208</u>	<u>3,222,252</u>
20 Provisions - current		
Provision for employee benefits		
- Compensated Absences	1,831,161	2,325,888
- Provision for Onerous contracts	1,138	-
- Provision for lease restoration costs	872	-
	<u>1,833,171</u>	<u>2,325,888</u>

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

21 Revenue from operations

Software services	271,685,416	260,272,608
	271,685,416	260,272,608

22 Other income

Interest income	17,154	-
Foreign exchange gain (net)	(6,852)	(96,056)
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	252,083	-
Gain on sale / redemption of mutual funds (net)	-	100,368
Fair value gain on financial assets (investments) at fair value through profit or loss	1,765,237	3,147
Miscellaneous income	64,656	-
	2,092,278	7,459

Birlasoft Inc.

Notes forming part of the financial statements (continued) for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
23 Employee benefits expense		
Salaries, wages and incentives	56,365,547	61,958,868
Share based compensation to employees	1,091,698	684,134
Staff welfare expenses	223,316	172,977
	57,680,561	62,815,979
24 Finance costs		
Interest expense	6	4,008
Interest on lease liabilities	39,555	-
Bill discounting charges	995,186	749,474
	1,034,747	753,482
25 Other expenses		
Travel and overseas expenses (net)	2,250,765	2,538,981
Cost of service delivery (net)	135,849,569	115,736,820
Cost of professional sub-contracting (net)	44,284,675	50,893,437
Recruitment and training expenses	476,545	549,265
Power and fuel	12,826	13,781
Rent	341,486	254,834
Repairs and maintenance -		
- plant and equipment	378,808	46,163
- others	36,264	20,009
Insurance	10,465	11,342
Rates and taxes	296,520	362,500
Communication expenses (net)	73,362	87,490
Legal and professional fees	587,993	565,503
Marketing expenses	887,006	498,621
Provision for doubtful debts and advances (net)	443,877	128,819
Miscellaneous expenses (net)	670,400	420,066
	186,600,561	172,127,631

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

26 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 (Direct holding)	Birlasoft (UK) Limited (including Netherland Branch)
Fellow Subsidiary Companies	Birlasoft Solutions Inc.
	Birlasoft Technologies Canada Corporation
	Birlasoft Computer Corporation, USA
	Birlasoft Consulting Inc. USA
	Birlasoft Solutions ME FZE
	Birlasoft Solutions Mexico S.A.DE C.V.
	Birlasoft Solutions Limited ,UK
	Birlasoft Solutions GmbH
	Birlasoft Solutions France
Director interested companies	USILaw, Inc.
	CK Birla Corporate Services Limited
Key Management Personnel (KMP)	Roopinder Singh
	Nitesh Mirchandani
	Vikram Chandna

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

26 Related party disclosures (continued)

B Transactions during the year with related party

Transaction	Related party name	31 March 2024	31 March 2023
Sale of Software Services	Birlasoft Limited	53	8,259
	Birlasoft (UK) Limited	160,077	171,515
	Birlasoft Technologies Canada Corporation	8,603	61,978
	Birlasoft Solutions Limited ,UK	321,437	880,775
	Birlasoft Solutions Inc.	7,369,788	6,534,486
	Birlasoft Consulting Inc. USA	337,115	420,449
	Birlasoft Computer Corporation, USA	875,352	534,332
	Birlasoft Solutions France	-	3,375
	Birlasoft Solutions Mexico S.A.DE C.V.	-	18,953
	Birlasoft Sdn. Bhd, Malaysia	4,209	-
		9,076,633	8,634,122
Software Services Charges	Birlasoft Limited	105,516,830	100,145,948
	Birlasoft (UK) Limited	593,493	518,289
	Birlasoft Technologies Canada Corporation	1,060,129	1,293,919
	Birlasoft Solutions France	142,971	185,234
	Birlasoft Solutions GmbH	79,527	73,681
	Birlasoft Solutions Mexico S.A.DE C.V.	772,319	279,250
	Birlasoft Solutions Limited ,UK	996,349	1,607,063
	Birlasoft Solutions Inc.	25,063,849	14,477,849
	Birlasoft Consulting Inc. USA	661,092	872,403
	BirlasoftSolutions MEFZE,Australia	-	11,253
Birlasoft Computer Corporation, USA	590,112	700,706	
		135,476,668	120,165,595
Bad debts transfer	Birlasoft Limited	609,688	-
		609,688	-
Dividend	Birlasoft Limited	5,000,000	-
		5,000,000	-
Advance taken (net)	Birlasoft Limited	154,449	(75,075)
	Birlasoft Computer Corporation, USA	4,404	-
	Birlasoft Consulting Inc. USA	311,785	215,986
	Birlasoft Solutions Inc.	5,171,233	1,940,160
		5,641,872	2,081,071
Reimbursement of expenses (net)	Birlasoft Computer Corporation, USA	48,445	88,163
	Birlasoft Consulting Inc. USA	36,821	67,386
	Birlasoft Limited	(1,121,109)	(722,331)
	Birlasoft Solutions Inc.	128,542	214,086
	Birlasoft Solutions Limited (UK)	12,653	-
		(894,649)	(352,696)
Salary	Roopinder Singh	1,155,615	1,220,357
	Nitesh Mirchandani	542,085	455,812
	Vikram Chandna	145,914	-
		1,843,614	1,676,169
Visa Services	USILaw, Inc.	619,509	1,428,105
		619,509	1,428,105
IPR fees	CK Birla Corporate Services Limited	74,747	115,785
		74,747	115,785

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

26 Related party disclosures (continued)

C Outstanding Balance at the year end of related parties

Nature of Balance	Related party name	31 March 2024	31 March 2023
Trade receivables	Birlasoft Solutions Inc	644,886	6,136,978
	Birlasoft Limited	11,003,480	3,984,568
	Birlasoft Solutions France	-	3,375
	Birlasoft Computer Corporation, USA	96,671	1,067,935
	Birlasoft Consulting Inc. USA	608,457	771,194
	Birlasoft Solutions Limited (UK)	1,803,789	1,482,353
	Birlasoft Limited, Switzerland Bran	1,479	-
	Birlasoft (UK) Limited	412,480	257,639
	Birlasoft Technologies Canada Corporation	-	9,362
	Birlasoft Solutions Mexico S.A.DE C	18,953	18,953
		14,590,195	13,732,357
Trade Payables	Birlasoft Limited,Singapore Branch	20,411	81,917
	Birlasoft (UK) Limited	61,123	95,432
	Birlasoft Technologies Canada Corporation	192,094	199,380
	Birlasoft Solutions France	3,684	36,164
	Birlasoft Solutions GmbH	6,649	13,128
	Birlasoft Solutions Mexico S.A.DE C.V.	(142,486)	55,385
	Birlasoft Solutions Limited ,UK	121,762	111,041
	Birlasoft Solutions Inc.	2,535,653	2,571,563
	BirlasoftSolutions MEFZE,Australia	(1,009)	(1,009)
	Birlasoft Consulting Inc. USA	160,645	73,718
	Birlasoft Computer Corporation, USA	123,979	100,667
	3,082,505	3,337,386	
Other payable/receivable	Birlasoft Limited	(405,826)	(62,100)
	Birlasoft Technologies Canada Corporation	(12,653)	-
	Birlasoft Computer Corporation, USA	22,020	8,808
	Birlasoft Consulting Inc. USA	105,423	22,712
	Birlasoft Solutions Inc.	2,011,971	714,601
	1,720,936	684,021	

27 The management of respective entities approved and authorized the merger of Enablepath LLC (a wholly-owned subsidiary of the Company) into the Company upon the terms and conditions as set forth in the Agreement and Plan of Merger, effective 01 April 2023.

28 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2024 (previous year 31 March 2023 - nil)

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

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

Place - New Delhi
Date - 29 April 2024

Amita Birla
Director

Birlasoft Computer Corporation

Registered Office: 379 Thornall St, 12th 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, 2024.

Financial Results

Particulars	2023-24 USD (Million)	2022-23 USD (Million)
Total Income	34.50	35.22
Net Profit / (Loss) for the year	(0.37)	(0.80)

Operations

During the year under review, total income of the Company decreased by 2.02 % which resulted in net loss of USD 0.37 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. Angan Guha 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
Birlasoft Computer Corporation

New Delhi
April 29, 2024

Angan Guha
Director

Birlasoft Computer Corporation

Balance Sheet

as at 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2A	84	176
Other intangible assets	2B	-	-
Financial assets			
Investments	3	1	1
Income tax assets (net)		364,918	495,422
Deferred tax assets (net)	4	581,635	393,300
		<u>946,638</u>	<u>888,899</u>
Current assets			
Financial assets			
Investments	5	5,373,816	-
Trade receivables	6	8,736,962	21,945,581
Cash and cash equivalents	7	689,258	2,808,043
Other financial assets	8	230,934	8,550
Other current assets	9	679,967	70,527
		<u>15,710,937</u>	<u>24,832,701</u>
TOTAL ASSETS		<u>16,657,575</u>	<u>25,721,600</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	110,000	110,000
Other equity		12,560,428	12,932,780
Total equity		<u>12,670,428</u>	<u>13,042,780</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	11	67,362	72,556
		<u>67,362</u>	<u>72,556</u>
Current liabilities			
Financial liabilities			
Trade payables	12	1,811,346	11,008,693
Other financial liabilities	13	1,403,319	796,306
Other current liabilities	14	147,274	160,367
Provisions	15	557,846	640,659
Income tax liabilities (net)		-	239
		<u>3,919,785</u>	<u>12,606,264</u>
TOTAL EQUITY AND LIABILITIES		<u>16,657,575</u>	<u>25,721,600</u>
Material 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 Computer Corporation

Place - New Delhi
Date - 29 April 2024

Angan Guha
Director

Birlasoft Computer Corporation

Statement of Profit and Loss

for the year ended 31 March 2024

(Amount in USD)

	Note	31 March 2024	31 March 2023
Revenue from operations	16	34,449,387	35,226,748
Other income (net)	17	53,928	(11,416)
Total income		34,503,315	35,215,332
Expenses			
Employee benefits expense	18	13,164,505	15,105,684
Finance costs	19	-	538
Depreciation and amortization expense	2	92	146
Other expenses	20	21,771,119	21,051,018
Total expenses		34,935,716	36,157,386
Profit /(Loss) before tax		(432,401)	(942,054)
Tax expense			
Current tax		128,286	(28,885)
Deferred tax (benefit)/charge		(188,335)	(112,109)
Total tax expense		(60,049)	(140,994)
Profit /(Loss) for the year		(372,352)	(801,060)
Material 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 Computer Corporation

Place - New Delhi
Date - 29 April 2024

Angan Guha
Director

Birlasoft Computer Corporation

Statement of changes in equity

for the year ended 31 March 2024

(Amount in USD)

A Equity share capital	Amount
Balance as at 01 April 2022	110,000
Changes in equity share capital during 2022-23	-
Balance as at 31 March 2023	110,000
Changes in equity share capital during 2023-24	-
Balance as on 31 March 2024	110,000

B Other equity	Retained earnings	Total
Balance as on 1 April 2022	13,733,840	13,733,840
Profit /(Loss) for the year	(801,060)	(801,060)
Balance as at 31 March 2023	12,932,780	12,932,780
Profit /(Loss) for the year	(372,352)	(372,352)
Balance as on 31 March 2024	12,560,428	12,560,428

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

Place - New Delhi
Date - 29 April 2024

Angan Guha
Director

Birlasoft Computer Corporation

Statement of Cash Flows

for the year ended 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

A CASH FLOW FROM OPERATING ACTIVITIES

(Loss)/ Profit for the year	(432,401)	(942,054)
Adjustments for		
Depreciation / Amortization	92	146
Interest expense	-	538
Fair value loss on financial assets (investments) at fair value through profit or loss	(73,816)	-
Provision for doubtful debts and advances (net)	-	(35,406)
Bad debts written off	808,523	67,963
Unrealised foreign exchange loss/(gain)	(25,123)	(4,861)
Operating Profit before working capital changes	<u>277,275</u>	<u>(913,674)</u>

Adjustments for changes in working capital:

Trade receivables and unbilled revenue	12,400,204	(5,725,960)
Loans, other financial assets and other assets	(831,824)	1,952,688
Trade Payables	(9,172,333)	3,695,265
Other financial liabilities, other liabilities and provisions	505,913	(394,182)
Cash generated from operations	<u>3,179,236</u>	<u>(1,385,862)</u>
Income taxes paid	1,979	13,515
Net cash generated from operating activities (A)	<u>3,181,215</u>	<u>(1,372,347)</u>

B CASH FLOW FROM INVESTING ACTIVITIES

Sale of investments carried at fair value through profit and loss (net)	6,225,226	-
Purchase of investments	(11,525,226)	-
Net cash used in investing activities (B)	<u>(5,300,000)</u>	<u>-</u>

C CASH FLOW FROM FINANCING ACTIVITIES

Interest paid	-	(538)
Net cash used in financing activities (C)	<u>-</u>	<u>(538)</u>

Net Increase/ (decrease) in cash and cash equivalents (A + B+ C) (2,118,785) (1,372,885)

Cash and cash equivalents at end of the year (Refer note 1 below)	689,258	2,808,043
Cash and cash equivalents at beginning of the year (Refer note 1 below)	2,808,043	4,180,928
Net Increase/ (decrease) in cash and cash equivalents	<u>(2,118,785)</u>	<u>(1,372,885)</u>

Note 1 :

Cash and cash equivalents include:

Balance with banks		
- In current accounts	689,258	2,808,043
Total Cash and cash equivalents	<u>689,258</u>	<u>2,808,043</u>

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

Place - New Delhi
Date - 29 April 2024

Angan Guha
Director

Birlasoft Computer Corporation

Notes forming part of the financial statements

for the year ended 31 March 2024

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. Material 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.

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 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.

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 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.

Birlasoft Computer Corporation

Notes forming part of the financial statements

for the year ended 31 March 2024

1.3 Revenue recognition (continued)

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

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

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

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

Unearned revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the 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

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

Birlasoft Computer Corporation

Notes forming part of the financial statements

for the year ended 31 March 2024

Use of significant judgements in revenue recognition (continued)

- v. Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- vi. Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

1.4 Property, plant and equipment

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

1.5 Intangible assets

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

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

Intangible 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.

1.6 Depreciation and amortization

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

Type of asset	Useful life
Buildings	25
Plant and equipment	3-4
Office Equipment	5-10
Owned Vehicle	3-5
Furniture and fixtures	7-10

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

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The management's estimates of the useful lives of intangible assets for computing amortization are as follows:

Birlasoft Computer Corporation
Notes forming part of the financial statements
for the year ended 31 March 2024

1.6 Depreciation and amortization (continued)

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

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

1.7 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

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.

1.8 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 liability (lease rent payouts), any payment made at or before commencement date any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received.

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

Birlasoft Computer Corporation

Notes forming part of the financial statements

for the year ended 31 March 2024

1.8 Leases (continued)

The entity presents its right of use of assets in property plant and equipments and lease liabilities 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 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.

1.10 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.

1.11 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.

Birlasoft Computer Corporation

Notes forming part of the financial statements

for the year ended 31 March 2024

1.12 Provisions, Contingent Liabilities and Contingent Assets:

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

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.

1.13 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.14 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.

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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

Birlasoft Computer Corporation

Notes forming part of the financial statements (continued)

as at 31 March 2024

(Amount in USD)

2A Property, plant and equipment

	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 01 April 2022	173,313	45,000	13,825	232,138
Additions	-	-	-	-
Disposal	-	45,000	12,204	57,204
Gross carrying amount as at 31 March 2023	173,313	-	1,621	174,934
Accumulated depreciation as at 01 April 2022	173,032	45,000	13,784	231,816
Depreciation	105	-	41	146
Disposal	-	45,000	12,204	57,204
Accumulated depreciation as at 31 March 2023	173,137	-	1,621	174,758
Gross carrying amount as at 01 April 2023	173,313	-	1,621	174,934
Additions	-	-	-	-
Disposal	119,827	-	1,621	121,448
Gross carrying amount as at 31 March 2024	53,486	-	-	53,486
Accumulated depreciation as at 01 April 2023	173,137	-	1,621	174,758
Depreciation	92	-	-	92
Disposal	119,827	-	1,621	121,448
Accumulated amortisation as at 31 March 2024	53,402	-	-	53,402
Net Carrying amount as at 31 March 2023	176	-	-	176
Net Carrying amount as at 31 March 2024	84	-	-	84

Birlasoft Computer Corporation

Notes forming part of the financial statements *(continued)*

as at 31 March 2024

(Amount in USD)

2B Other intangible assets

	Internally Generated	Total
	Product Development Cost	
Gross carrying amount as at 01 April 2022	37,233	37,233
Additions	-	-
Disposal	37,233	37,233
Gross carrying amount as at 31 March 2023	-	-
Accumulated amortisation as at 01 April 2023	37,233	37,233
Amortisation	-	-
Disposal	37,233	37,233
Accumulated amortisation as at 31 March 2023	-	-
Gross carrying amount as at 01 April 2023	-	-
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2024	-	-
Accumulated amortisation as at 01 April 2023	-	-
Amortisation	-	-
Disposal	-	-
Accumulated amortisation as at 31 March 2024	-	-
Net Carrying amount as at 31 March 2023	-	-
Net Carrying amount as at 31 March 2024	-	-

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
3 Non-Current investments		
Investments in equity instruments of subsidiaries (at cost)		
Birlasoft Technologies Canada Corporation	1	1
100 (Previous year 100) Class A voting common shares with no par value fully paid up		
	<u>1</u>	<u>1</u>
4 Deferred tax assets (net)		
Deferred tax assets		
-Provision for compensated absences	79,219	126,898
-Retention bonus	43,677	34,626
-DTA on loss	246,905	182,562
-ESOP	166,902	-
-Others	44,950	64,892
	<u>581,653</u>	<u>417,565</u>
Deferred tax liabilities		
-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	-	19,868
-Provision for depreciation	18	-
-Provision for doubtful debts	-	4,397
	<u>18</u>	<u>24,265</u>
Net deferred tax asset	<u>581,635</u>	<u>393,300</u>

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
5 Current investments		
Investments in Mutual funds measured at fair value through profit or loss (quoted)		
HSBC Mutual Fund	5,373,816	-
	<u>5,373,816</u>	<u>-</u>
6 Trade receivables <i>(Unsecured)</i>		
A Billed		
Trade Receivables considered good	6,854,986	21,154,064
Trade Receivables - credit impaired	-	-
	<u>6,854,986</u>	<u>21,154,064</u>
Less: Allowances for bad and doubtful trade receivables	-	-
	<u>6,854,986</u>	<u>21,154,064</u>
B Unbilled	1,881,976	791,517
	<u>8,736,962</u>	<u>21,945,581</u>
Note:		
Trade receivables include due from related parties USD 2424288(Previous year USD 14726537) (Refer note 21).		
7 Cash and bank balances		
Balances with banks		
- In current accounts	689,258	2,808,043
	<u>689,258</u>	<u>2,808,043</u>
8 Other current financial assets		
Other receivables from Related Parties (Refer note 21).	230,934	8,550
	<u>230,934</u>	<u>8,550</u>
9 Other current assets <i>(Unsecured, considered good unless otherwise stated)</i>		
Employee advances	-	400
Advance to suppliers	3,189	7,099
Contract assets -from fixed price contracts	675,278	23,891
Prepaid expenses	62	-
Balances with statutory authorities	-	14,670
Others	1,438	24,467
	<u>679,967</u>	<u>70,527</u>

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in USD)

31 March 2024 31 March 2023

10 Equity share capital

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**

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
11 Other Non Current liabilities		
Accrued employee costs	67,362	72,556
	<u>67,362</u>	<u>72,556</u>

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
12 Trade payables		
Total outstanding dues of trade payables	1,811,346	11,008,693
	<u>1,811,346</u>	<u>11,008,693</u>
Note:		
Trade payables include due to related parties USD 1583560(Previous year USD 10704534) (Refer note 21).		
13 Other current financial liabilities		
Accrued employee costs	1,277,334	731,711
Payable to related party (Refer note 21).	125,985	64,595
	<u>1,403,319</u>	<u>796,306</u>
14 Other current liabilities		
Unearned revenue	21,682	43,841
Advances from customers	17,976	19,669
Statutory remittances	107,616	96,857
	<u>147,274</u>	<u>160,367</u>
15 Provisions - current		
Provision for employee benefits - Compensated Absences	557,846	640,659
	<u>557,846</u>	<u>640,659</u>

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
16 Revenue from operations		
Software services	34,449,387	35,226,748
	<u>34,449,387</u>	<u>35,226,748</u>
17 Other income		
Foreign exchange gain (net)	(19,888)	(11,416)
Fair value gain on financial assets (investments) at fair value through profit or loss	73,816	-
	<u>53,928</u>	<u>(11,416)</u>

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in USD)

	31 March 2024	31 March 2023
18 Employee benefits expense		
Salaries, wages and incentives	12,736,222	14,827,473
Share based compensation to employees	404,437	257,816
Staff welfare expenses	23,846	20,395
	13,164,505	15,105,684
19 Finance costs		
Interest expense	-	538
	-	538
20 Other expenses		
Travel and overseas expenses (net)	669,842	499,805
Cost of service delivery (net)	18,908,693	19,270,675
Cost of professional sub-contracting (net)	1,251,847	1,108,680
Rent	1,321	334
Rates and taxes	17,811	2,438
Communication expenses (net)	2,445	1,832
Legal and professional fees	25,547	65,694
Bad debts written off	808,523	67,963
Provision for doubtful debts and advances (net)	-	(35,406)
Miscellaneous expenses (net)	85,090	69,003
	21,771,119	21,051,018

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Computer Corporation

Notes forming part of the financial statements (*continued*)

for the year ended 31 March 2024

(Amount in USD)

21 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 Consulting Inc.
	Birlasoft Solutions GmbH
	Birlasoft Solutions Limited (UK)
	Birlasoft (UK) Limited
	Birlasoft Inc.
Birlasoft Solutions Mexico S.A. DE C.V.	
Director interested company	USILaw, Inc.
Key Management Personnel	Inder Raj Singh Ghai

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

(Amount in USD)

21 Related party disclosures (continued)

B Transactions during the year with related party

Transaction	Related party name	31 March 2024	31 March 2023
Sale of Software Services	Birlasoft Limited	-	1,707
	Birlasoft (UK) Limited	1,979	-
	Birlasoft Technologies Cananda Corporation	6,674	373,394
	Birlasoft Solutions Limited ,UK	193,700	610,829
	Birlasoft Solutions Inc.	7,305,326	7,750,050
	Birlasoft Consulting Inc. USA	147	4,341
	Birlasoft Inc.	590,112	700,706
		8,097,938	9,441,027
Software Services Charges	Birlasoft Limited	14,930,421	14,750,616
	Birlasoft (UK) Limited	-	11,905
	Birlasoft Technologies Cananda Corporation	117,366	60,552
	Birlasoft Solutions Mexico S.A.DE C.V.	-	363
	Birlasoft Solutions Inc	2,955,033	2,978,988
	Birlasoft Solutions Limited ,UK	-	673,739
	Birlasoft Inc.	875,352	534,332
Birlasoft Consulting Inc. USA	64,491	394,056	
		18,942,663	19,404,551
Bad debts transfer	Birlasoft Limited	621,971	-
		621,971	-
Advance taken (net)	Birlasoft Limited	(3,782)	(6,470)
	Birlasoft Solutions Inc	305,930	444,411
	Birlasoft Solutions GmbH	-	(10,620)
	Birlasoft Consulting Inc. USA	-	(15,792)
	Birlasoft Inc.	(4,404)	-
	Birlasoft Solutions Limited ,UK	-	(24,333)
		297,743	387,196
Reimbursement of expenses (net)	Birlasoft Limited	(418,522)	(271,996)
	Birlasoft Inc.	(48,445)	(88,163)
	Birlasoft Solutions Inc	137,878	-
		(329,088)	(360,158)
Salary	Inder Raj Singh Ghai	-	393,815
		-	393,815
Visa Services	USILaw, Inc.	1,200	-
		1,200	-

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in USD)

21 Related party disclosures (continued)

C Outstanding Balance at the year end of related parties

Nature of Balance	Related party name	31 March 2024	31 March 2023
Trade receivables	Birlasoft Limited	-	20944
	Birlasoft Solutions Inc	1,038,542	13517034
	Birlasoft Computer Corporation, USA	(264)	-
	Birlasoft Consulting Inc. USA	147	7449
	Birlasoft Solutions Limited (UK)	1,143,773	950073
	Birlasoft Inc.	123,979	100667
	BirlasoftSolutions MEFZE,Australia	-	3,158
	Birlasoft (UK) Limited	306	-
	Birlasoft Technologies Canada Corporation	366	9,773
Birlasoft Solutions Mexico S.A.DE C	117,439	117,439	
		2,424,288	14,726,537
Trade Payables	Birlasoft Limited	920,514	2,157,771
	Birlasoft (UK) Limited	1	1
	Birlasoft Technologies Canada Corporation	640	20,877
	Birlasoft Inc.	96,671	1,067,935
	Birlasoft Solutions Limited ,UK	-	1,475,211
	Birlasoft Solutions Inc.	565,902	5,905,083
	Birlasoft Consulting Inc. USA	(168)	77,656
		1,583,560	10,704,534
Investment in Subsidiary	Birlasoft Technologies Canada Corporation	1	1
		1	1
Other payable/receivable	Birlasoft Limited	(103,965)	(31,454)
	Birlasoft Solutions Inc.	230,934	7,368
	Birlasoft Consulting Inc. USA	-	1,182
	Birlasoft Solutions Limited ,UK	-	(24,333)
	Birlasoft Inc.	(22,020)	(8,808)
		104,949	(56,045)

22 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2024 (previous year 31 March 2023 - nil)

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

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

Place - New Delhi
Date - 29 April 2024

Angan Guha
Director

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, 2024.

Financial Results

Particulars	2023-24 CAD (Million)	2022-23 CAD (Million)
Total Income	18.63	21.34
Net Profit / (Loss) for the period	1.29	0.66

Operations

During the year under review, total income of the Company has decreased by 12.70 % which resulted in net profit of CAD 1.29 million.

Board of Directors

During the year under review, Mr. Nitesh Mirchandani ceased to be a Director on February 29, 2024 and Mr. Vikram Chandna was appointed as a Director effective March 1, 2024.

Mr. Angan Guha, Ms. Indu Nangia and Mr. Vikram Chandna are the 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
Birlasoft Technologies Canada Corporation

New Delhi
April 29, 2024

Angan Guha
Director

Birlasoft Technologies Canada Corporation

Balance Sheet

as at 31 March 2024

(Amount in CAD)

	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Financial assets			
Loans	2	4,432,868	9,174,990
Other financial assets	3	135	135
Income tax assets (net)		120,840	-
Other non-current assets	4	74,774	-
		4,628,617	9,175,125
Current assets			
Financial assets			
Trade receivables	5	4,509,114	7,858,121
Cash and cash equivalents	6	12,703,697	4,237,785
Other financial assets	7	1,089	1,089
Other current assets	8	64,555	141,499
		17,278,455	12,238,494
TOTAL ASSETS		21,907,072	21,413,619
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	1	1
Other equity		20,443,267	19,145,568
Total equity		20,443,268	19,145,569
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	10	6,115	3,405
		6,115	3,405
Current liabilities			
Financial liabilities			
Trade payables	11	307,481	950,057
Other financial liabilities	12	364,207	250,408
Other current liabilities	13	571,579	230,900
Provisions	14	214,422	374,486
Income tax liabilities (net)		-	458,794
		1,457,689	2,264,645
TOTAL EQUITY AND LIABILITIES		21,907,072	21,413,619

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

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Angan Guha
Director

Indu Nangia
Director

Place - New Delhi
Date - 29 April 2024

Place - New Jersey
Date - 29 April 2024

Birlasoft Technologies Canada Corporation

Statement of Profit and Loss

for the year ended 31 March 2024

(Amount in CAD)

	Note	31 March 2024	31 March 2023
Revenue from operations	15	17,870,912	20,992,040
Other income (net)	16	759,758	350,584
Total income		18,630,670	21,342,624
Expenses			
Employee benefits expense	17	6,537,017	7,958,383
Finance costs	18	44,776	-
Other expenses	19	10,273,894	11,851,783
Total expenses		16,855,687	19,810,166
Profit before tax		1,774,983	1,532,458
Tax expense			
Current tax		477,284	853,058
Deferred tax (benefit)/charge		-	13,609
Total tax expense		477,284	866,667
Profit for the year		1,297,699	665,791

Material 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 Technologies Canada Corporation

Angan Guha

Director

Place - New Delhi

Date - 29 April 2024

Indu Nangia

Director

Place - New Jersey

Date - 29 April 2024

Birlasoft Technologies Canada Corporation

Statement of Cash Flows

for the year ended 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	1,774,983	1,532,458
Adjustments for		
Interest income	(397,076)	(283,397)
Provision for doubtful debts and advances (net)	(67,641)	(68,706)
Unrealised foreign exchange loss/(gain)	15,937	41,509
Operating Profit before working capital changes	1,466,375	1,221,864
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	3,311,565	(221,036)
Loans, other financial assets and other assets	2,170	124,956
Trade Payables	(648,826)	(1,796,152)
Other financial liabilities, other liabilities and provisions	297,124	(120,685)
Cash generated from operations	4,428,408	(791,053)
Income taxes paid	(1,056,918)	(403,714)
Net cash generated from operating activities (A)	3,371,490	(1,194,767)
B CASH FLOW FROM INVESTING ACTIVITIES		
Repayment of loans given to related party	4,742,122	2,321,110
Loans given to Related Party	-	-
Interest received	397,076	283,397
Net cash used in investing activities (B)	5,139,198	2,604,507
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(44,776)	-
Net cash used in financing activities (C)	(44,776)	-
Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	8,465,912	1,409,740
Cash and cash equivalents at end of the year (Refer note 1 below)	12,703,697	4,237,785
Cash and cash equivalents at beginning of the year (Refer note 1 below)	4,237,785	2,828,045
Net Increase/ (decrease) in cash and cash equivalents	8,465,912	1,409,740

Note 1 :

Cash and cash equivalents include:

Balance with banks		
- In current accounts	12,703,697	4,237,529
- In deposit accounts (with original maturity of 3 months or less)	-	256
Total Cash and cash equivalents	12,703,697	4,237,785

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

Angan Guha
Director

Indu Nangia
Director

Place - New Delhi
Date - 29 April 2024

Place - New Jersey
Date - 29 April 2024

Birlasoft Technologies Canada Corporation

Statement of changes in equity

for the year ended 31 March 2024

(Amount in CAD)

A Equity share capital	Amount
Balance as at 01 April 2022	1
Changes in equity share capital during 2022-23	-
Balance as at 31 March 2023	1
Changes in equity share capital during 2023-24	-
Balance as at 31 March 2024	1

B Other equity

Particulars	Retained earnings	Total
Balance as on 01 April 2022	18,479,777	18,479,777
Profit for the year	665,791	665,791
Balance as at 31 March 2023	19,145,568	19,145,568
Profit for the year	1,297,699	1,297,699
Balance as at 31 March 2024	20,443,267	20,443,267

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Angan Guha
Director

Place - New Delhi
Date - 29 April 2024

Indu Nangia
Director

Place - New Jersey
Date - 29 April 2024

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements

as at 31 March 2024

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. Material 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 Canadian Dollars ("CAD"), 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 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.

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

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements

as at 31 March 2024

1.3 Revenue recognition: (continued)

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

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

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

Unearned revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the 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

- i. 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.
- ii. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The 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.
- iii. 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.
- iv. 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.
- v. Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- vi. Contract Fulfillment costs are generally expensed as incurred except for costs which meet the criteria for capitalization as per Ind AS 115. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements

as at 31 March 2024

1.4 Property, plant and equipment

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

1.5 Intangible assets

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

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

Intangible 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.

1.6 Depreciation and amortization

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

Type of asset	Useful life
Buildings	25
Plant and equipment	3-4
Office Equipment	5-10
Owned Vehicle	3-5
Furniture and fixtures	7-10

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

Right-of-use assets taken on lease are amortized over shorter of useful lives and the period of lease.

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The management's estimates of the useful lives of intangible assets for computing amortization are as follows:

Type of asset	Useful life (No. of years)
Product development cost	3-4
Perpetual software licenses	4
Time-based software licenses	License period

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

1.7 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.

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements

as at 31 March 2024

1.7 Impairment (continued)

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.

1.8 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.

1.9 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.

1.10 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.

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements

as at 31 March 2024

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 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Company's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.13 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.

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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
2 Loans		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans Receivable from related parties (Refer note 20)		
-Birlasoft Solutions Limited	4,432,868	9,174,990
	4,432,868	9,174,990
3 Other non current financial assets		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Security deposits	135	135
	135	135
4 Other non-current assets		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Contract Fulfillment Cost	74,774	-
	74,774	-

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
5 Trade receivables		
<i>(Unsecured)</i>		
A Billed		
Trade Receivables considered good	3,252,789	7,500,086
Trade Receivables - credit impaired	347	167,571
	<u>3,253,136</u>	<u>7,667,657</u>
Less: Allowances for bad and doubtful trade receivables	347	167,571
	<u>3,252,789</u>	<u>7,500,086</u>
B Unbilled	1,256,325	358,035
	<u>4,509,114</u>	<u>7,858,121</u>

Note :

Trade receivables include due from related parties CAD 893012 (Previous year CAD 5485803.15) (Refer Note 20).

6 Cash and bank balances

Balances with banks		
- In current accounts	12,703,697	4,237,785
- In deposit accounts(with original maturity of 3 months or less)	-	-
	<u>12,703,697</u>	<u>4,237,785</u>

Note

Balance with bank in Current accounts includes interest bearing accounts amounting to CAD 11,878,907 (previous year CAD 256)

7 Other current financial assets

(Unsecured, considered good unless otherwise stated)

- Security deposits	1,089	1,089
	<u>1,089</u>	<u>1,089</u>

8 Other current assets

(Unsecured, considered good unless otherwise stated)

Contract assets -from fixed price contracts	-	44,743
Advance to suppliers	-	77,233
Employee advances	10,845	13,771
Balances with statutory authorities	3,331	4,612
Prepaid expenses	3,020	1,140
Other receivables from related party (Refer note 20)	47,359	-
	<u>64,555</u>	<u>141,499</u>

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in CAD)

31 March 2024 31 March 2023

9 Equity share capital

Issued subscribed and fully paid up:

100 (31 March 2023 : 100) Class A voting common shares with no
par value fully paid up

1

1

1

1

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
10 Other non current financial liabilities		
Accrued employee costs	6,115	3,405
	<u>6,115</u>	<u>3,405</u>

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
as at 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
11 Trade payables		
Total outstanding dues of trade payables	307,481	950,057
	307,481	950,057
Note:		
Trade payables include due to related parties CAD 59159 (Previous year CAD 848335.9) (Refer note 20)		
12 Other current financial liabilities		
Accrued employee costs	347,233	248,727
Payable to related party (Refer note 20)	16,974	1,681
	364,207	250,408
13 Other current liabilities		
Unearned revenue	416,692	2,433
Advances from customers	-	16,659
Statutory remittances	154,887	211,808
	571,579	230,900
14 Provisions - current		
Provision for employee benefits - Compensated Absences	214,422	374,486
	214,422	374,486

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
15 Revenue from operations		
Software services	17,870,912	20,992,040
	17,870,912	20,992,040
16 Other income		
Interest income	243,142	281
Interest On loan - Intercompany	153,934	283,116
Foreign exchange gain (net)	361,447	67,187
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	1,235	-
	759,758	350,584

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in CAD)

	31 March 2024	31 March 2023
17 Employee benefits expense		
Salaries, wages and incentives	6,502,396	7,938,993
Share based compensation to employees	19,386	10,434
Staff welfare expenses	15,235	8,956
	6,537,017	7,958,383
18 Finance costs		
Interest expense	44,776	-
	44,776	-
19 Other expenses		
Travel and overseas expenses (net)	172,545	149,218
Cost of service delivery (net)	9,604,072	11,279,131
Cost of professional sub-contracting (net)	233,777	419,778
Recruitment and training expenses	690	26,900
Rent	13,680	13,730
Insurance	4,752	12,910
Rates and taxes	25,000	-
Communication expenses (net)	12,922	10,783
Legal and professional fees	170,471	-
Marketing expenses	2,367	-
Bad debts written off	95,396	-
Provision for doubtful debts and advances (net)	(67,641)	(68,706)
Miscellaneous expenses (net)	5,863	8,039
	10,273,894	11,851,783

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements (continued)

for the year ended 31 March 2024

20 Related party disclosures

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 (including Netherland Branch)
Director interested company	CK Birla Corporate Services Limited

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in CAD)

20 Related party disclosures (continued)

B Transactions during the year with related party

Transaction	Related party name	31 March 2024	31 March 2023
Sale of Software Services	Birlasoft Limited	-	120
	Birlasoft (UK) Limited	125,921	120
	Birlasoft Inc	1,432,958	1,701,000
	Birlasoft Solutions Limited ,UK	72,184	192,217
	Birlasoft Solutions Inc.	2,282,984	2,759,677
	Birlasoft Consulting Inc. USA	-	221,993
	Birlasoft Computer Corporation, USA	158,243	79,811
	Birlasoft Solutions Mexico S.A.DE C.V.	43,082	74,959
	Birlasoft Solutions GmBH	26,117	130,999
		4,141,488	5,160,896
Software Services Charges	Birlasoft Limited	8,848,567	10,269,580
	Birlasoft (UK) Limited	-	2,318
	Birlasoft Solutions GmBH	-	50,916
	Birlasoft Solutions Limited ,UK	-	314,736
	Birlasoft Solutions Inc.	683,537	474,783
	Birlasoft Solutions ME FZE, Dubai	124,972	89,962
	Birlasoft Consulting Inc. USA	-	193,857
	Birlasoft Inc	11,568	79,575
	Birlasoft Computer Corporation, USA	9,050	482,994
		9,677,694	11,958,721
Bad debts transfer	Birlasoft Limited	50,304	-
		50,304	-
Advance taken (net)	Birlasoft Limited	(15,030)	(51,559)
	Birlasoft Computer Corporation, USA	-	120,147
		(15,030)	68,588
Reimbursement of expenses (net)	Birlasoft Limited	(27,287)	(14,911)
	Birlasoft Solutions Inc.	30,267	-
		2,980	(14,911)
Repayment received for loan given	Birlasoft Solutions Limited ,UK	5,099,040	2,321,110
		5,099,040	2,321,110
Interest received on Interco Loan	Birlasoft Solutions Limited ,UK	153,934	283,116
		153,934	283,116
IPR fees	CK Birla Corporate Services Limited	2,367	-
		2,367	-

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2024

(Amount in CAD)

20 Related party disclosures (continued)

C Outstanding Balance at the year end of related parties

Nature of Balance	Related party name	31 March 2024	31 March 2023
Trade receivables	Birlasoft Solutions Inc	213,148	4,530,411
	Birlasoft Limited	257,792	39,997
	Birlasoft Computer Corporation, USA	869	28,174
	Birlasoft Consulting Inc. USA	-	11,267
	Birlasoft Solutions Limited (UK)	-	114,411
	BirlasoftSolutions MEFEZ,Australia	-	9,153
	Birlasoft (UK) Limited	13,935	120
	Birlasoft Inc	259,216	268,987
	Birlasoft Solutions GmBH	1,630	379,942
	Birlasoft Solutions Mexico S.A.DE C	146,422	103,340
		893,012	5,485,803
Trade Payables	Birlasoft Limited	-	578,999
	Birlasoft (UK) Limited	-	(446)
	Birlasoft Inc	-	12,722
	Birlasoft Solutions GmBH	-	(1,630)
	Birlasoft Solutions Mexico S.A.DE C.V.	-	28
	Birlasoft Solutions ME FZE, Dubai	9,830	157,450
	Birlasoft Solutions Limited ,UK	-	8,338
	Birlasoft Solutions Inc.	48,832	35,598
	Birlasoft Consulting Inc. USA	-	44,126
	Birlasoft Computer Corporation, USA	497	13,151
		59,159	848,336
Interco Loan	Birlasoft Solutions Limited ,UK	4,432,868	9,174,990
		4,432,868	9,174,990
Other payable/receivable	Birlasoft Limited	(16,974)	(1,681)
	Birlasoft Inc	17,152	-
	Birlasoft Solutions Inc.	30,207	-
	30,385	(1,681)	

21 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2024 (previous year 31 March 2023 - nil)

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

For and on behalf of the Board of Directors of
Birlasoft Technologies Canada Corporation

Angan Guha
Director

Indu Nangia
Director

Place - New Delhi
Date - 29 April 2024

Place - New Jersey
Date - 29 April 2024

Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai – United Arab Emirates
Financial statements and
Independent Auditor’s Report
For the year ended 31 March 2024

Birlasoft Solutions ME FZE
2W 113, 6EA 331, P.O.Box No.54931,
Dubai Airport Free Zone
Dubai – United Arab Emirates

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Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai – United Arab Emirates

Establishment information

Name of the establishment : **Birlasoft Solutions ME FZE**

Business address : 2W 113, 6EA 331, P.O.Box No.54931
Dubai Airport Free Zone Authority
Dubai, U.A.E
Tel : +971 4 299 8843
Fax :+971 4 299 8843

Shareholder : Birlasoft Limited, India

Managers : Mr. Ganesan Karuppanaicker
Mr. Elson Varghese Mattappadom

Directors : Mr. Ganesan Karuppanaicker
Mr. Angan Arun Guha

Banker : HSBC Bank

Director's report

The directors have pleasure in presenting his report and the audited financial statements for the year ended 31 March 2024.

Principal activities

The activity of the establishment as per service license are information technology consultants and IT infrastructure. During the year, the establishment was engaged in providing software and IT infrastructure services.

Financial results

The establishment has achieved revenue of AED 4,450,991 for the year ended 31 March 2024 (31 March 2023: revenue is AED 3,914,625). The net loss for the year is AED 396,380 (31 March 2023: net loss of AED 867,459). The management is optimistic about the prospects for the next year and expects to improve the performance of the establishment.

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.

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.

Director's report (continued)

Management

As per the renewed service license of the establishment, Mr. Ganesan Karuppanaicker and Mr. Elson Varghese Mattappadom are appointed as the managers of the establishment. Mr. Ganesan Karuppanaicker and Mr. Angan Arun Guha are appointed as the directors of the establishment.

As per the shareholder resolution dated 13 September 2023, Mr. Sangram Tukaram Kadam, the former director, has been relieved of his duties and a new director, Mr. Ganesan Karuppanaicker, has been appointed to the position. Application for the amendment of the Director in the Memorandum of Association and Article of Association has been submitted to the Dubai Airport Freezone Authority and amendment of MOA & AOA is completed as on 13 December 2023 .

Auditors

Koya Chartered Accountants were the auditors of the establishment for the year ended 31 March 2024 and they express their willingness to continue as auditors for the year ending 31 March 2025.

Acknowledgements

The directors wish to place on record his sincere gratitude for the continuous support extended by various governments, banks, customers, suppliers, employees and all well-wishers.

Ganesan Karuppanaicker
Director
Birlasoft Solutions ME FZE
20 April 2024

Independent auditor's report to the shareholder of Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E

Opinion

We have audited the accompanying financial statements of **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 2024, 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 2024, 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.

Other Information

Management is responsible for the other information. The other information comprises Director's report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

Independent auditor's report to the shareholder of Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E (continued)

Other Information (continued)

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.

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.

Independent auditor's report to the shareholder of Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E (continued)

Auditors' responsibilities for the Audit of the Financial statements (continued)

- 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.

Independent auditor's report to the shareholder of Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E (continued)

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 Director's 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

22 April 2024

Dubai, U.A.E

Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates

Statement of financial position as at 31 March 2024

		<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>Notes</u>	<u>AED</u>	<u>AED</u>
Assets			
Non-current assets			
Property, plant and equipment	5	10,266	4,969
Total non-current assets		<u>10,266</u>	<u>4,969</u>
Current assets			
Due from related parties	6	971,917	2,941,639
Accounts and other receivables	7	793,710	1,868,790
Cash and cash equivalents	8	7,036,508	4,062,133
Total current assets		<u>8,802,135</u>	<u>8,872,562</u>
Total assets		<u><u>8,812,401</u></u>	<u><u>8,877,531</u></u>
Equity and liabilities			
Equity			
Share capital	1	1,000,000	1,000,000
Retained earnings		6,344,954	6,741,334
Shareholders' current account	9	185,661	185,661
Total equity		<u>7,530,615</u>	<u>7,926,995</u>
Non-current liabilities			
Provision for employees' end of service benefits	10	493,268	421,845
Total non-current liabilities		<u>493,268</u>	<u>421,845</u>
Current liabilities			
Due to related parties	6	168,107	177,413
Accounts and other payables	11	620,411	351,278
Total current liabilities		<u>788,518</u>	<u>528,691</u>
Total liabilities		<u>1,281,786</u>	<u>950,536</u>
Total equity and liabilities		<u><u>8,812,401</u></u>	<u><u>8,877,531</u></u>

These financial statements for the year ended March 31, 2024 including comparatives were approved by the Board of Directors on 20 April, 2024 and signed on their behalf by:

Ganesan Karuppanaicker

Director

The notes on pages 12 to 31 form an integral part of these financial statements.

Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates

Statement of comprehensive income
For the year ended 31 March 2024

		<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>Notes</u>	<u>AED</u>	<u>AED</u>
Revenue	12	4,450,991	3,914,625
Cost and operating expense	13	(2,311,239)	(2,253,468)
Staff cost		(1,756,308)	(1,464,525)
General and administrative expenses	14	(700,507)	(563,044)
Foreign exchange loss		(131,946)	(377,378)
Bad debt		(80,426)	(123,697)
Other income	15	133,055	28
Loss for the year		<u>(396,380)</u>	<u>(867,459)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u><u>(396,380)</u></u>	<u><u>(867,459)</u></u>

The notes on pages 12 to 31 form an integral part of these financial statements.

**Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates**

**Statement of changes in equity
For the year ended 31 March 2024**

	<u>Share capital AED</u>	<u>Retained earnings AED</u>	<u>Shareholder's current account AED</u>	<u>Total AED</u>
Balance as at 31 March 2022	1,000,000	7,608,793	185,661	8,794,454
Total comprehensive loss for the year	-	(867,459)	-	(867,459)
Balance as at 31 March 2023	1,000,000	6,741,334	185,661	7,926,995
Total comprehensive loss for the year	-	(396,380)	-	(396,380)
Balance as at 31 March 2024	<u>1,000,000</u>	<u>6,344,954</u>	<u>185,661</u>	<u>7,530,615</u>

The notes on pages 12 to 31 form an integral part of these financial statements.

Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates

Statement of cash flows
For the year ended 31 March 2024

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
Cash flows from operating activities		
Loss for the year	(396,380)	(867,459)
Adjustments for:		
Depreciation	4,500	4,258
Bad debt	80,426	123,697
Provision for employees' end of service benefits	89,791	58,820
Cash flows before working capital changes	<u>(221,663)</u>	<u>(680,684)</u>
Changes in:		
Due from related parties	1,969,722	378,189
Accounts and other receivables	994,654	(1,249,166)
Accounts and other payables	269,133	(109,631)
Due to related parties	(9,306)	(11,866)
Cash from / (Used in) operating activities	<u>3,002,540</u>	<u>(1,673,158)</u>
Employees' end of service benefits paid	(18,368)	-
Net cash from / (Used in) operating activities	<u>2,984,172</u>	<u>(1,673,158)</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(9,797)	-
Net cash from / (Used in) investing activities	<u>(9,797)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	2,974,375	(1,673,158)
Cash and cash equivalents at the beginning of the year	4,062,133	5,735,291
Cash and cash equivalents at the end of the year	<u>7,036,508</u>	<u>4,062,133</u>
Cash and cash equivalents comprise of:		
Cash at bank	5,225,728	3,924,500
Margin money deposits	137,633	137,633
HSBC term deposit	1,673,147	-
	<u>7,036,508</u>	<u>4,062,133</u>

The notes on pages 12 to 31 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2024

1. Legal status and business activities

The financial statements combine the following:

- i. **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:

<u>Name of the shareholder</u>	<u>Country of incorporation</u>	<u>No. of shares</u>	<u>AED</u>	<u>%</u>
Birlasoft Limited	Indian	<u>1</u>	<u>1,000,000</u>	<u>100</u>

- ii. **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.

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.

Management

As per the renewed service license of the establishment, Mr. Ganesan Karuppanaicker and Mr. Elson Varghese Mattappadom are appointed as the managers of the establishment. Mr. Ganesan Karuppanaicker and Mr. Angan Arun Guha are appointed as the directors of the establishment.

As per the shareholder resolution dated 13 September 2023, Mr. Sangram Tukaram Kadam, the former director, has been relieved of his duties and a new director, Mr. Ganesan Karuppanaicker, has been appointed to the position.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Legal status and business activities (continued)

Management (continued)

Application for the amendment of the Director in the Memorandum of Association and Article of Association has been submitted to the Dubai Airport Freezone Authority and amendment of MOA & AOA is completed as on 13 December 2023.

Accounting period

These financial statements relate to the accounts for the period from 01 April 2023 to 31 March 2024.

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 Standards, amendments and interpretations that became effective during the year

The following standards and amendments are effective for the first time in 2023 and have been adopted:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12)

These amendments do not have a material impact on these financial statements.

2.2 Standards, amendments and interpretations issued but not yet effective

Other Standards and amendments that are not yet effective and have not been adopted early by the establishment include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Notes to the financial statements (continued)

For the year ended 31 March 2024

2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2 Standards, amendments and interpretations issued but not yet effective (continued)

- General requirements for disclosure of Sustainability related financial information (IFRS S1)
- Climate related disclosures (IFRS S2)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

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 and Australia. 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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.4 Foreign currencies (continued)

3.4.1 Functional and presentation currency (continued)

The functional currency of Birlasoft Solutions ME FZE branch in Australia is Australian Dollar (AUD).

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 Current vs non-current classification

The establishment presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within 12 months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within 12 months after the reporting period, or

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.5 Current vs non-current classification (continued)

- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

3.6 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:

	<u>Years</u>
Air conditioning machine	10
Furniture, fixtures & fittings	8
Computer systems & peripherals	4
Leasehold Improvements	2

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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition

Revenue from contracts with customers

The establishment uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the establishment 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 establishment earns revenue primarily from providing IT services, consulting and business solutions. The establishment 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 establishment 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 establishment 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 Establishment 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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition (continued)

Revenue from contracts with customers (continued)

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

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition (continued)

Use of significant judgements in revenue recognition

- The establishment's contracts with customers could include promises to transfer multiple products and services to a customer. The establishment 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 establishment 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 establishment uses judgement to determine an appropriate standalone selling price for a performance obligation. The establishment 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 establishment uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The establishment exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The establishment 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

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition (continued)

Use of significant judgements in revenue recognition (continued)

- 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 establishment 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.

3.8 Financial instruments

Classification of financial assets:

Financial assets are classified, at initial recognition as measured at (i) amortized cost; (ii) Fair Value through Other Comprehensive Income (FVOCI); or (iii) Fair Value through Profit or Loss (FVTPL).

Derecognition of financial assets:

A financial asset is derecognized when (i) the rights to receive cash flows from the asset have expired; and (ii) the establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the establishment has transferred substantially all the risks and rewards of the asset, or (b) the establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.8 Financial instruments (continued)

Impairment of financial assets:

IFRS 9 replaced the incurred loss model followed under IAS 39 with a forward-looking expected credit loss (ECL) model. For trade receivables, the establishment applies a simplified approach in calculating ECLs. Therefore, the establishment does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The establishment has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification of financial liabilities:

Financial liabilities are classified, at initial recognition as measured at (i) financial liabilities at fair value through profit or loss; or (ii) at amortized cost; or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, wherever applicable.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.8 Financial instruments (continued)

Fair value measurement:

The establishment measures financial instruments, such as investment in securities and hedges, at fair value at each statement of financial position 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. When measuring the fair value of an asset or a liability, the establishment uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the establishment using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the establishment at the end of the reporting year during which the change occurred.

3.9 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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.10 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.

3.11 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.

3.12 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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

3 Basis of preparation and significant accounting policies (continued)

3.13 Cash and cash equivalents

Cash and cash equivalents comprise of bank balance and margin money deposits.

3.14 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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

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.

4.3 Revenue recognition

The establishment used the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the establishment 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.

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Notes to the financial statements (continued)
For the year ended 31 March 2024

5 Property, plant and equipment

	<u>Air conditioning machine AED</u>	<u>Furniture, fixtures & fittings AED</u>	<u>Computer Systems & peripherals AED</u>	<u>Leasehold Improvements AED</u>	<u>Total AED</u>
Cost					
Balance at 31 March 2022	462	232,409	296,896	17,961	547,728
Disposals	(462)	(198,339)	(286,174)	(17,961)	(502,936)
Balance at 31 March 2023	-	34,070	10,722	-	44,792
Additions	-	-	9,797	-	9,797
Balance at 31 March 2024	-	34,070	20,519	-	54,589
Accumulated depreciation					
Balance at 31 March 2022	462	223,182	296,896	17,961	538,501
Depreciation/ Disposals	(462)	(194,081)	(286,174)	(17,961)	(498,678)
Balance at 31 March 2023	-	29,101	10,722	-	39,823
Depreciation/adjustments	-	4,259	241	-	4,500
Balance at 31 March 2024	-	33,360	10,963	-	44,323
Carrying amounts					
As at 31 March 2024	-	710	9,556	-	10,266
As at 31 March 2023	-	4,969	-	-	4,969

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Notes to the financial statements (continued)

For the year ended 31 March 2024

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
6 Related party transactions		
<u>Due from related parties</u>		
<u>From entities under common management and control</u>		
Birlasoft Limited, India	913,646	1,057,774
Birlasoft Solutions Inc., USA	31,264	54,963
Birlasoft Technologies Canada Corporation, Canada	26,607	437,968
Birlasoft (UK) Limited, United Kingdom	400	397,506
Birlasoft Limited, New Zealand	-	993,428
	<u>971,917</u>	<u>2,941,639</u>
<u>Due to related parties</u>		
<u>To entities under common management and control</u>		
Birlasoft Limited, Singapore	164,551	169,078
Birlasoft Inc., USA	3,556	3,654
Birlasoft Computer Corporation, USA	-	4,681
	<u>168,107</u>	<u>177,413</u>

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.

During the year, the company has entered into the following transactions with related parties:

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
Revenue	<u>1,973,919</u>	<u>1,748,905</u>
Services received	<u>2,121,123</u>	<u>1,920,633</u>
IPR fees	<u>(162)</u>	<u>162</u>
Managerial remuneration	<u>433,347</u>	<u>326,901</u>
7 Accounts and other receivables		
Accounts receivables	284,991	247,754
Less: allowance for doubtful debts	(607)	-
	<u>284,384</u>	<u>247,754</u>
Advance from suppliers	13,339	993,661
Unbilled revenue	<u>247,056</u>	<u>322,093</u>
Balance c/f	<u>544,779</u>	<u>1,563,508</u>

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Notes to the financial statements (continued)

For the year ended 31 March 2024

7	Accounts and other receivables (continued)	<u>31.03.2024</u>	<u>31.03.2023</u>
		<u>AED</u>	<u>AED</u>
	Balance B/f	544,779	1,563,508
	Prepayments	200,326	246,633
	Deposits	30,500	30,513
	Other advances and receivables	18,105	28,136
		<u>793,710</u>	<u>1,868,790</u>
	Age wise analysis of accounts receivables		
	Less than 3 months	220,301	247,754
	3 - 6 months	58,012	-
	More than 6 months	6,678	-
		<u>284,991</u>	<u>247,754</u>
	a) Unbilled 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.		
		<u>31.03.2024</u>	<u>31.03.2023</u>
		<u>AED</u>	<u>AED</u>
	Movement in the allowance for doubtful debts		
	Balance at the beginning of the year	-	12,531
	Additional allowance during the year	80,426	123,697
	Write off during the year	(81,033)	(136,228)
		<u>(607)</u>	<u>-</u>
8	Cash and cash equivalents		
	Cash at bank	5,225,728	3,924,500
	Margin money deposits	137,633	137,633
	HSBC term deposit	1,673,147	-
		<u>7,036,508</u>	<u>4,062,133</u>

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Notes to the financial statements (continued)

For the year ended 31 March 2024

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.

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
10 Provision for employees' end of service benefits		
Opening balance	421,845	421,845
Charges for the year	89,791	-
Payment made during the year	(18,368)	-
	<u>493,268</u>	<u>421,845</u>
11 Accounts and other payables		
Provisions and accrued expenses	463,370	327,407
Other payable	157,041	23,871
	<u>620,411</u>	<u>351,278</u>
12 Revenue		
Export sales	3,913,626	2,888,447
Domestic sales	537,365	1,026,178
	<u>4,450,991</u>	<u>3,914,625</u>

Revenue represents income generated from providing software and IT infrastructure services. Revenue amounting to AED 247,056/- 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.

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
13 Cost and operating expense		
Project related expenses	204,546	327,365
Software service charges	2,106,693	1,926,103
	<u>2,311,239</u>	<u>2,253,468</u>

Cost and operating expense include software service charges and project related direct expenses.

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
14 General and administrative expenses		
Insurance	229,382	162,279
Legal, visa, professional and other charges	220,938	161,273
Rent	121,363	115,882
Communication	36,206	31,269
Bank charges	25,837	24,063
Travelling and conveyance	34,903	21,530
Balance c/f	<u>668,629</u>	<u>516,296</u>

Notes to the financial statements (continued)

For the year ended 31 March 2024

14 General and administrative expenses (continued)

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
Balance b/f	668,629	516,296
Membership and subscription	17,239	21,642
Tax expense	9,305	19,707
Depreciation	4,500	4,259
Other expenses	834	1,140
	<u>700,507</u>	<u>563,044</u>

15 Other income

Other income represents bank interest received.

16 Financial instruments

Financial assets and liabilities

Financial assets of the establishment include cash and cash equivalents, 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.

Notes to the financial statements (continued)

For the year ended 31 March 2024

16 Financial instruments (continued)

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

	<u>31.03.2024</u>	<u>31.03.2023</u>
	<u>AED</u>	<u>AED</u>
Letters of guarantee	<u>137,633</u>	<u>137,633</u>

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.

18 Comparative amounts

Previous year amounts have been regrouped and reclassified wherever necessary to make them comparable to those of the current year.

Birlasoft's Global Presence

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