CK BIRLA GROUP

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Financials of
Subsidiaries
FY 2022-23

Birlasoft Limited – Financials of Subsidiaries FY 2022-23

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. Enablepath, LLC
11. Birlasoft Computer Corporation
12. Birlasoft Technologies Canada Corporation
13. Birlasoft Sdn. Bhd.
14. Birlasoft Solutions ME FZE

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2023

for

BIRLASOFT (UK) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2023

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Company Information
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS:	C K Birla Mrs A Birla S S Kejriwal A K Ladha
SECRETARY:	A Satija
REGISTERED OFFICE:	4th Floor 53 - 54 Grosvenor Street London W1K 3HU
REGISTERED NUMBER:	03266933 (England and Wales)
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

Strategic Report
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS
The revenue for the year amounted to £13,889,593 (2022 - £9,569,197).

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

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

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

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

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

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

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

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

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

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

ON BEHALF OF THE BOARD:

Director

5 May 2023

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

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

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2023.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

C K Birla
Mrs A Birla
S S Kejriwal
A K Ladha

Other changes in directors holding office are as follows:

D Kapoor - resigned 30 November 2022

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

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

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

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

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

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

ON BEHALF OF THE BOARD:

S S Kejriwal - Director

5 May 2023

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

Opinion

We have audited the financial statements of Birlasoft (UK) Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- Enquiries of management, concerning the company's policies and procedures relating to:

* Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
* Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

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

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

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

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

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

Use of our report

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

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

5 May 2023

Income Statement
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER	3	13,889,593	9,569,197
Cost of sales		11,234,891	8,452,876
GROSS PROFIT		2,654,702	1,116,321
Administrative expenses		1,913,990	1,633,763
		740,712	(517,442)
Other operating income		-	186,485
OPERATING PROFIT/(LOSS)	5	740,712	(330,957)
Interest receivable and similar income		-	6,006
		740,712	(324,951)
Interest payable and similar expenses	6	-	2,649
PROFIT/(LOSS) BEFORE TAXATION		740,712	(327,600)
Tax on profit/(loss)	7	150,228	19,163
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		590,484	(346,763)

The notes form part of these financial statements

Other Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
PROFIT/(LOSS) FOR THE YEAR		590,484	(346,763)
OTHER COMPREHENSIVE INCOME			
Exchange difference		16,759	(1,982)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		16,759	(1,982)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		607,243	(348,745)

The notes form part of these financial statements

Balance Sheet
31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	8		25,306		14,537
CURRENT ASSETS					
Debtors	9	4,407,554		2,646,036	
Cash at bank		1,857,491		2,066,540	
		6,265,045		4,712,576	
CREDITORS					
Amounts falling due within one year	10	4,059,998		3,104,003	
NET CURRENT ASSETS			2,205,047		1,608,573
TOTAL ASSETS LESS CURRENT LIABILITIES			2,230,353		1,623,110
CAPITAL AND RESERVES					
Called up share capital	11		150,000		150,000
Retained earnings	12		2,080,353		1,473,110
SHAREHOLDERS' FUNDS			2,230,353		1,623,110

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 5 May 2023 and were signed on its behalf by:

S S Kejriwal - Director

The notes form part of these financial statements

Statement of Changes in Equity
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	150,000	1,821,855	1,971,855
Changes in equity			
Total comprehensive income	-	(348,745)	(348,745)
Balance at 31 March 2022	150,000	1,473,110	1,623,110
Changes in equity			
Total comprehensive income	-	607,243	607,243
Balance at 31 March 2023	150,000	2,080,353	2,230,353

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(63,800)	663,473
Interest paid		-	(2,649)
Tax paid		(123,641)	(7,967)
Net cash from operating activities		(187,441)	652,857
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,608)	(10,009)
Interest received		-	6,006
Net cash from investing activities		(21,608)	(4,003)
(Decrease)/increase in cash and cash equivalents		(209,049)	648,854
Cash and cash equivalents at beginning of year	2	2,066,540	1,417,686
Cash and cash equivalents at end of year	2	1,857,491	2,066,540

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2023

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit/(loss) before taxation	740,712	(327,600)
Depreciation charges	7,357	6,749
Loss on disposal of fixed assets	3,481	-
Increase/(Decrease) in group creditors	1,527,071	887,334
(Increase)/Decrease in group debtors	(596,815)	379,350
Foreign exchange rate changes	16,760	(1,982)
Finance costs	-	2,649
Finance income	-	(6,006)
	1,698,566	940,494
Increase in trade and other debtors	(1,191,290)	(898,757)
(Decrease)/increase in trade and other creditors	(571,076)	621,736
Cash generated from operations	(63,800)	663,473

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	1,857,491	2,066,540

Year ended 31 March 2022

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

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank	2,066,540	(209,049)	1,857,491
	2,066,540	(209,049)	1,857,491
Total	2,066,540	(209,049)	1,857,491

The notes form part of these financial statements

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

Plant and machinery - 4 years on cost
Computer equipment - 4 years on cost

continued...

2. **ACCOUNTING POLICIES - continued**

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

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

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

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

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

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

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

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

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

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

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

continued...

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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

3. TURNOVER

The turnover and profit (2022 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	10,040,933	5,520,776
Rest of the world	3,848,660	4,048,421
	13,889,593	9,569,197

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	2,576,623	2,385,760
Social security costs	227,355	328,997
Other pension costs	58,642	54,603
	2,862,620	2,769,360

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

	2023	2022
Administrative staff	13	13
Consultants	15	18
	28	31

	2023	2022
	£	£
Directors' remuneration	75,000	50,000

continued...

5. OPERATING PROFIT/(LOSS)

The operating profit (2022 - operating loss) is stated after charging/(crediting):

	2023	2022
	£	£
Other operating leases	47,408	45,698
Depreciation - owned assets	7,358	6,749
Loss on disposal of fixed assets	3,481	-
Auditors' remuneration	18,511	14,831
Foreign exchange differences	(162,648)	20,362

	2023	2022
	£	£
Auditors remuneration - Audit of financial statements	11,000	9,000
Auditors remuneration - Non -audit services	7,511	5,831
	========	========

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	-	2,649

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	154,560	2,562
Adj relating to prior years	(4,332)	16,601
Tax on profit/(loss)	150,228	19,163

continued...

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit/(loss) before tax	740,712	(327,600)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	140,735	(62,244)
Effects of:		
Expenses not deductible for tax purposes	16,582	7,290
Income not taxable for tax purposes	-	(35,432)
Capital allowances in excess of depreciation	(2,757)	(619)
Adjustments to tax charge in respect of previous periods	(4,332)	16,601
Losses carried forward	-	94,251
Different tax rates for Netherlands branch	-	(684)
Total tax charge	150,228	19,163

Tax effects relating to effects of other comprehensive income

	2023		
	Gross	Tax	Net
	£	£	£
Exchange difference	16,759	-	16,759

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

continued...

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2022	46,978
Additions	21,608
Disposals	(21,762)
At 31 March 2023	46,824
DEPRECIATION	
At 1 April 2022	32,441
Charge for year	7,358
Eliminated on disposal	(18,281)
At 31 March 2023	21,518
NET BOOK VALUE	
At 31 March 2023	25,306
At 31 March 2022	14,537

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	2,570,579	1,291,175
Amounts owed by group undertakings	968,770	371,955
Other debtors	111	93,557
Tax	70,018	96,605
Accrued income	787,862	778,781
Prepayments	10,214	13,963
	4,407,554	2,646,036

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	4,313	3,910
Amounts owed to group undertakings	3,312,291	1,785,220
Social security and other taxes	156,701	222,295
VAT	213,393	223,174
Other creditors	29,711	11,001
Deferred income	55,383	495,080
Accrued expenses	288,206	363,323
	4,059,998	3,104,003

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
150,000	Ordinary	£1.00	150,000	150,000

continued...

12. RESERVES

	Retained earnings £
At 1 April 2022	1,473,110
Profit for the year	590,484
Foreign exchange retranslation	16,759
At 31 March 2023	2,080,353

13. RELATED PARTY DISCLOSURES

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

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

14. ULTIMATE CONTROLLING PARTY

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

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

Trading and Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Sales		13,889,593		9,569,197
Cost of sales				
Purchases	9,157,540		6,345,707	
Wages	1,584,897		1,594,822	
Social security	93,975		113,661	
Pensions	21,484		17,587	
Other direct costs	130,689		98,388	
Sub contractors	246,306		282,711	
		11,234,891		8,452,876
GROSS PROFIT		2,654,702		1,116,321
Other income				
RDEC receipts	-		186,485	
Deposit account interest	-		72	
Interest recd on tax receipts	-		5,934	
		-		192,491
		2,654,702		1,308,812
Expenditure				
Directors' salaries	75,000		50,000	
Directors' social security	9,575		5,680	
Wages	916,726		740,938	
Social security	123,805		209,656	
Pensions	37,158		37,016	
Rent	47,408		45,698	
Insurance	10,367		2,427	
Telephone	34,310		40,695	
Post and stationery	3,811		1,597	
Travelling	193,594		94,586	
Repairs and renewals	2,454		-	
Staff welfare	166		23,345	
Other general and admin costs	188,410		119,788	
Medical insurance	8,777		16,272	
ESOP expenses	79,645		10,834	
Staff recruitment	155,830		100,558	
Legal and professional fees	90,672		55,958	
Auditors' remuneration	18,511		14,831	
Foreign exchange differences	(162,648)		20,362	
Advertising	20,313		-	
Entertainment	10,250		12,474	
Bad debts	10,238		-	
Interco loan written off	-		15,060	
		1,874,372		1,617,775
Carried forward		780,330		(308,963)

This page does not form part of the statutory financial statements

Trading and Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Brought forward		780,330		(308,963)
Finance costs				
Bank charges	28,780		9,239	
Bank interest	-		2,649	
		28,780		11,888
		751,550		(320,851)
Depreciation				
Computer equipment		7,357		6,749
		744,193		(327,600)
Loss on disposal of fixed assets				
Fixtures and fittings		3,481		-
NET PROFIT/(LOSS)		740,712		(327,600)

This page does not form part of the statutory financial statements

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2023

for

BIRLASOFT SOLUTIONS LIMITED

Contents of the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2023

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BIRLASOFT SOLUTIONS LIMITED

Company Information
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS:	S Kulkarni S S Kejriwal A A Guha
SECRETARY:	A Satija
REGISTERED OFFICE:	4th Floor 53-54 Grosvenor Street, London W1K 3HU
REGISTERED NUMBER:	11317680 (England and Wales)
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

Strategic Report
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023.

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

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

	2023	2022
Turnover	£15,198,791	£14,244,687
Gross profit	£952,482	£1,748,191
As a % of sales	6.27%	12.27%
Operating profit	£333,807	£839,351

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

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

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

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

ON BEHALF OF THE BOARD:

S S Kejriwal - Director

5 May 2023

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

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

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2023.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

S Kulkarni
S S Kejriwal

Other changes in directors holding office are as follows:

D Kapoor - resigned 30 November 2022
A A Guha - appointed 6 December 2022

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

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

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

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

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

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

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

ON BEHALF OF THE BOARD:

S S Kejriwal - Director

5 May 2023

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

Opinion

We have audited the financial statements of Birlasoft Solutions Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiries of management, concerning the company's policies and procedures relating to:

o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

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

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

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

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

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

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

5 May 2023

Income Statement
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER	3	15,198,791	14,244,687
Cost of sales		14,246,309	12,496,496
GROSS PROFIT		952,482	1,748,191
Administrative expenses		653,661	908,840
		298,821	839,351
Other operating income		34,986	-
OPERATING PROFIT	5	333,807	839,351
Interest payable and similar expenses	6	181,412	221,568
PROFIT BEFORE TAXATION		152,395	617,783
Tax on profit	7	(26,753)	(77,371)
PROFIT FOR THE FINANCIAL YEAR		179,148	695,154

The notes form part of these financial statements

Other Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		179,148	695,154
OTHER COMPREHENSIVE INCOME			
Exchange rate movement		(2,218)	114
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(2,218)	114
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		176,930	695,268

The notes form part of these financial statements

Balance Sheet
31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	8		2,357		4,143
Investments	9		8,027,329		8,027,329
			8,029,686		8,031,472
CURRENT ASSETS					
Debtors	10	7,969,486		7,634,105	
Cash at bank		1,564,774		838,692	
		9,534,260		8,472,797	
CREDITORS					
Amounts falling due within one year	11	9,464,197		7,081,450	
NET CURRENT ASSETS			70,063		1,391,347
TOTAL ASSETS LESS CURRENT LIABILITIES			8,099,749		9,422,819
CREDITORS					
Amounts falling due after more than one year	12		(5,500,000)		(7,000,000)
PROVISIONS FOR LIABILITIES	13		(597)		(597)
NET ASSETS			2,599,152		2,422,222
CAPITAL AND RESERVES					
Called up share capital	14		500,000		500,000
Retained earnings	15		2,099,152		1,922,222
SHAREHOLDERS' FUNDS			2,599,152		2,422,222

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 5 May 2023 and were signed on its behalf by:

S S Kejriwal - Director

The notes form part of these financial statements

Statement of Changes in Equity
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	500,000	1,226,954	1,726,954
Changes in equity			
Total comprehensive income	-	695,268	695,268
Balance at 31 March 2022	500,000	1,922,222	2,422,222
Changes in equity			
Total comprehensive income	-	176,930	176,930
Balance at 31 March 2023	500,000	2,099,152	2,599,152

The notes form part of these financial statements

BIRLASOFT SOLUTIONS LIMITED

Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	2,494,132	850,776
Interest paid		(181,412)	(221,568)
Tax paid		(84,420)	(228,839)
Net cash from operating activities		2,228,300	400,369
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,413)
Net cash from investing activities		-	(1,413)
Cash flows from financing activities			
New loans in year		-	7,000,000
Loan repayments in year		(1,500,000)	(8,748,867)
Net cash from financing activities		(1,500,000)	(1,748,867)
Increase/(decrease) in cash and cash equivalents		728,300	(1,349,911)
Cash and cash equivalents at beginning of year	2	838,692	2,188,489
Effect of foreign exchange rate changes		(2,218)	114
Cash and cash equivalents at end of year	2	1,564,774	838,692

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Profit before taxation	152,395	617,783
Depreciation charges	1,786	1,797
(Increase) / Decrease in group debtors	120,074	3,371,716
Increase / (Decrease) in group creditors	2,652,107	314,405
Finance costs	181,412	221,568
	3,107,774	4,527,269
Increase in trade and other debtors	(378,734)	(3,876,595)
(Decrease)/increase in trade and other creditors	(234,908)	200,102
Cash generated from operations	2,494,132	850,776

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	1,564,774	838,692

Year ended 31 March 2022

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

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank	838,692	726,082	1,564,774
	838,692	726,082	1,564,774
Total	838,692	726,082	1,564,774

The notes form part of these financial statements

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

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

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

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

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

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

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

continued...

2. **ACCOUNTING POLICIES - continued**

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

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

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

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

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

Fixtures and fittings -33.33% on reducing balance

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

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

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

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

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

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

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

3. **TURNOVER**

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

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	11,167,158	9,684,640
Europe	1,483,734	1,616,271
United States of America	2,351,623	2,395,297
Rest of the World	196,276	548,479
	15,198,791	14,244,687

continued...

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	940,317	1,017,101
Social security costs	54,311	87,212
Other pension costs	11,649	15,710
	1,006,277	1,120,023

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

	2023	2022
IT support	10	13
Administration	2	2
	12	15

	2023	2022
	£	£
Directors' remuneration	-	-

5. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Other operating leases	-	2,063
Depreciation - owned assets	1,786	1,797
Auditors' remuneration	13,750	11,500
Foreign exchange differences	35,860	468,976
Auditors remuneration - Non-audit services	9,899	6,187

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Interest payable	181,412	221,568

7. TAXATION

Analysis of the tax credit
The tax credit on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	29,293	66,528
Adjustment for prior years	(56,046)	(143,899)
Tax on profit	(26,753)	(77,371)

UK corporation tax has been charged at 19% (2022 - 19%).

continued...

7. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

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

	2023	2022
	£	£
Profit before tax	152,395	617,783
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	28,955	117,379
Effects of:		
Expenses not deductible for tax purposes	337	226
Depreciation in excess of capital allowances	-	73
Adjustments to tax charge in respect of previous periods	(56,045)	(143,899)
Group relief	-	(51,150)
Total tax credit	(26,753)	(77,371)

Tax effects relating to effects of other comprehensive income

	2023		
	Gross	Tax	Net
	£	£	£
Exchange rate movement	(2,218)	-	(2,218)

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

continued...

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2022	18,744
Disposals	(11,596)
At 31 March 2023	7,148
DEPRECIATION	
At 1 April 2022	14,601
Charge for year	1,786
Eliminated on disposal	(11,596)
At 31 March 2023	4,791
NET BOOK VALUE	
At 31 March 2023	2,357
At 31 March 2022	4,143

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	8,027,329
NET BOOK VALUE	
At 31 March 2023	8,027,329
At 31 March 2022	8,027,329

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

Birlasoft Solutions GmbH (formerly KPIT Solutions GmbH)
Registered office: Meisenstr, 96 D - 33607 Bielefeld
Nature of business: IT services

Class of shares:	% holding
Ordinary	100.00

	2023 £	2022 £
Aggregate capital and reserves	262,311	(247,065)
Profit for the year	509,954	158,118

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.

 continued...

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	5,727,810	5,259,077
Amounts owed by group undertakings	71,950	192,024
Other debtors	18,182	12,634
Tax	76,721	-
Prepayments and accrued income	2,074,823	2,170,370
	7,969,486	7,634,105

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts owed to group undertakings	8,700,141	6,048,034
Tax	-	34,452
Social security and other taxes	19,649	220,738
VAT	383,709	160,062
Other creditors	99,086	119,290
Accrued expenses	261,612	498,874
	9,464,197	7,081,450

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

	2023	2022
	£	£
Amounts owed to group undertakings	5,500,000	7,000,000

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

The loan balance outstanding at the end of the period is £5,500,000.

13. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax	597	597

	Deferred tax
	£
Balance at 1 April 2022	597
Balance at 31 March 2023	597

continued...

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
500,000	Ordinary	1	500,000	500,000

15. RESERVES

	Retained earnings £
At 1 April 2022	1,922,222
Profit for the year	179,148
Exchange rate movement	(2,218)
At 31 March 2023	2,099,152

16. RELATED PARTY DISCLOSURES

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

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

17. ULTIMATE CONTROLLING PARTY

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

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

BIRLASOFT SOLUTIONS LIMITED

Trading and Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Sales		15,198,791		14,244,687
Cost of sales				
Purchases	10,846,245		8,523,704	
Wages	484,915		740,881	
Social security	41,449		68,232	
Pensions	9,573		11,702	
Sub contractors	2,864,127		3,151,977	
		14,246,309		12,496,496
GROSS PROFIT		952,482		1,748,191
Other income				
Sundry receipts		34,986		-
		987,468		1,748,191
Expenditure				
Wages	455,402		276,220	
Social security	12,862		18,980	
Pensions	2,076		4,008	
Rent	-		2,063	
Insurance	5,196		6,055	
Office expenses	(21,394)		(10,518)	
Post and stationery	653		-	
Advertising	3,200		-	
Travelling	102,180		68,645	
Repairs and renewals	1,191		(3,000)	
Staff welfare	48		261	
Recruitment expenses	-		20,631	
Sundry expenses	2,719		1,375	
Subscriptions	4,255		1,779	
Professional fees	23,428		36,420	
Legal fees	9,910		2,579	
Auditors' remuneration	13,750		11,500	
Foreign exchange losses	35,860		468,976	
Bad debts	(1,195)		(1,061)	
		650,141		904,913
		337,327		843,278
Finance costs				
Bank charges	1,734		2,130	
Interest payable	181,412		221,568	
		183,146		223,698
Carried forward		154,181		619,580

This page does not form part of the statutory financial statements

BIRLASOFT SOLUTIONS LIMITED

Trading and Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Brought forward		154,181		619,580
Depreciation				
Fixtures and fittings		1,786		1,797
NET PROFIT		152,395		617,783

This page does not form part of the statutory financial statements

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 Seventeenth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2023.

Financial Results

Particulars	2022-23 Euro (Million)	2021-22 Euro (Million)
Total Income	12.44	10.41
Net Loss for the year	(2.98)	(0.82)

Operations

During the year under review, total income has increased from € 10.41 million to € 12.44 million but due to increase in cost the company incurred a net loss of € 2.98 million.

Board of Directors

During the year under review, Mr. Angan Guha was appointed as Director effective December 1, 2022 in place of Mr. Dharmander Kapoor who resigned as Director effective November 30, 2022. Further, Mr. Shreeranganath Kulkarni 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 Cabinets FIGEREC as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

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

New York
April 28, 2023

Angan Guha
Director

FIDUCIAIRE DE GESTION ET DE REVISION COMPTABLE

F I G E R E C

S.A.R.L. AU CAPITAL DE 70.700 €

SOCIETE D'EXPERTISE COMPTABLE INSCRITE AU TABLEAU DE L'ORDRE A PARIS ILE DE FRANCE
SOCIETE 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 2023

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, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31th 2023 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°' April 2022 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 notes « provision for risks and charges » and « provision for customer » of the appendix to the annual financial statements.

4 – Justification of assessements

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

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

The financial statements were approved by the Board of Directors.

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 28th of april 2023

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

BALANCE SHEET - ASSETS

Période du 01/04/2022 au 31/03/2023 Présenté en Euros Edité le 03/05/2023

ASSETS	Current year 31/03/2023 (12 months)				Past year 31/03/2022 (12 months)	
	Brut	Depr.& prov.	Net	%	Net	%
Fixed assets						
Concessions, patents and similar rights	23 000,00	23 000,00				
Other tangible fixed assets	578 951,20	238 356,44	340 594,76	3,49	384 232,64	2,45
Other fixed assets	9 230,80		9 230,80	0,09	9 230,80	0,06
TOTAL (I)	***611 182,00***	***261 356,44***	***349 825,56***	3,58	***393 463,44***	2,51
Current assets						
Trade and related accounts	6 940 799,70	3 030 972,35	3 909 827,35	40,02	9 694 933,23	61,92
Other receivables						
. Debtors suppliers	698 746,24		698 746,24	7,15	33,89	0,00
. Staff	2 972,45		2 972,45	0,03	5 597,45	0,04
. Payroll taxes					1 583,00	0,01
. State, profit tax	100,20		100,20	0,00	1 209 316,05	7,72
. State, turnover tax	214 569,41		214 569,41	2,20	90 076,25	0,58
. Other	537 945,31		537 945,31	5,51	519,79	0,00
Investment securities	2 002 717,00		2 002 717,00	20,50		
Cash	1 855 783,20		1 855 783,20	18,99	4 100 779,29	26,19
Prepaid expenses	157 215,48		157 215,48	1,61	160 717,99	1,03
TOTAL (II)	***12 410 848,99***	***3 030 972,35***	***9 379 876,64***	96,00	***15 263 556,94***	97,49
Charges to be spread over several periods (III)						
Premium for redemption of bonds (IV)						
Unrealized exchange losses (V)	40 897,27		40 897,27	0,42		
TOTAL ASSETS (0 à V)	***13 062 928,26***	***3 292 328,79***	***9 770 599,47***	100,00	***15 657 020,38***	100,00

BALANCE SHEET - EQUITY AND LIABILITIES

Période du 01/04/2022 au 31/03/2023 Présenté en Euros Edité le 03/05/2023

EQUITY AND LIABILITIES	Current year 31/03/2023 (12 months)	%	Past year 31/03/2022 (12 months)	%
Shareholders' equity				
Share capital (paid-up capital : 100 000,00)	100 000,00	1,02	100 000,00	0,64
Legal reserve	14 987,32	0,15	14 987,32	0,10
Retained (profits / losses) brought forward merger	5 375 097,01	55,01	6 194 011,22	39,56
Net income or loss of the tax year	***-2 978 331,90***	-30,47	***-818 914,21***	-5,22
TOTAL(I)	***2 511 752,43***	25,71	***5 490 084,33***	35,06
TOTAL(II)				
Provisions for liabilities and charges				
Reserves for contingencies	530 619,27	5,43	600 098,00	3,83
TOTAL (III)	***530 619,27***	5,43	***600 098,00***	3,83
Loans and debts				
Other financial borrowing and debts				
Trade notes and related accounts payable	1 560 349,43	15,97	1 903 148,23	12,16
Tax payable and social liabilities				
. Staff	56 003,93	0,57	98 293,60	0,63
. Payroll taxes	117 643,36	1,20	98 948,02	0,63
. State, turnover tax	1 164 745,32	11,92	1 710 355,86	10,92
. Other taxes	10 986,73	0,11	5 587,18	0,04
Other debts	1 951 727,46	19,98	71 024,76	0,45
Prepaid income	1 866 771,54	19,11	5 679 480,40	36,27
TOTAL(IV)	***6 728 227,77***	68,86	***9 566 838,05***	61,10
TOTAL LIABILITIES (I à V)	***9 770 599,47***	100,00	***15 657 020,38***	100,00

INCOME STATEMENT

Période du 01/04/2022 au 31/03/2023 — Présenté en Euros — Edité le 03/05/2023

INCOME STATEMENT

	France	Export	Current year 31/03/2023 (12 months) Total	%	Past year 31/03/2022 (12 months) Total	%	Variation on 12 months (12 / 12) Variation	%
Sales of manufactured services	11 397 757,00	36 504,70	11 434 261,70	100,00	10 382 973,98	100,00	1 051 288	
Net turnover	**11 397 757,00**	**36 504,70**	**11 434 261,70**	100,00	**10 382 973,98**	100,00	**1 051 288**	

	Current year Total	%	Past year Total	%	Variation	%
Recaptures on deprecations and reserves, expense transfer	1 003 665,90	8,78	18 000,00	0,17	985 665	N/S
Other operating income	4 360,50	0,04	6 234,75	0,06	-1 874	-30,05
Total operating income	***12 442 288,10***	108,82	***10 407 208,73***	100,23	***2 035 080***	
Other purchases and external expenses	9 996 216,96	87,42	9 646 838,57	92,91	349 378	3,62
Taxes and assimilated payments	19 052,64	0,17	56 850,96	0,55	-37 798	-66,48
Salaries and wages expenses	1 262 073,11	11,04	721 491,67	6,95	540 582	74,93
Social security expenses	472 203,16	4,13	305 919,21	2,95	166 284	54,36
Operating allowances on fixed assets : depreciation allowances	127 843,79	1,12	73 597,12	0,71	54 246	73,71
Operating allowances on current assets : reserve allowances	3 030 972,35	26,51			3 030 972	N/S
Operating allowances for contingencies : reserve allowances	489 722,00	4,28	411 098,00	3,96	78 624	19,13
Other expenses	12 016,28	0,11	9 716,82	0,09	2 300	23,67
Total operating expenses	***15 410 100,29***	134,77	***11 225 512,35***	108,11	***4 184 588***	
OPERATING RESULT	**-2 967 812,19**	-25,95	**-818 303,62**	-7,87	**-2 149 509**	
Other interest and assimilated income	2 717,00	0,02			2 717	N/S
Profits on foreign exchange	55 131,02	0,48			55 131	N/S
Total financial income	***57 848,02***	0,51			***57 848***	N/S
Financial allowances for depreciations and provisions	40 897,27	0,36			40 897	N/S
Loss on foreign exchange	27 470,46	0,24	568,98	0,01	26 902	N/S
Total financial expenses	***68 367,73***	0,60	***568,98***	0,01	***67 799***	N/S
FINANCIAL RESULT	**-10 519,71**	-0,08	**-568,98**	-0,00	**-9 951**	N/S
Ordinary result before tax	**-2 978 331,90**	-26,04	**-818 872,60**	-7,88	**-2 159 459**	
Total extraordinary income						
Extraordinary capital losses			41,61	0,00	-41	-100,00
Total extraordinary expenses			***41,61***	0,00	***-41***	-100,00
EXTRAORDINARY RESULT			**-41,61**	0,00	**41**	-100,00
Total Income	***12 500 136,12***	109,32	***10 407 208,73***	100,23	***2 092 928***	
Total expenses	***15 478 468,02***	135,37	***11 226 122,94***	108,12	***4 252 346***	
NET RESULT	**-2 978 331,90** *Loss*	-26,04	**-818 914,21** *Loss*	-7,88	**-2 159 417**	

Appendices 2023

In the balance sheet before distribution for the financial year ended 31/03/2023 of which the total is 9 770 599.47 E and to the profit and loss account for the year showing a loss of -2 978 331.90 E, presented in list form.

The financial year has a duration of 12 months, covering the period from 01/04/2022 to 31/03/2023.

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 01/04/2021 to 31/03/2022.

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

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

As such, two provisions were recognized in the accounts as of March 31, 2023:

- Provision for risks and charges:

A provision for the net book value of fixed assets used and prepaid expenses for project maintenance contracts was set up as of March 31, 2023 for an amount of €478,722.

- Provision for doubtful customer:

The customer has not paid the invoices since November 2022 for a total amount of 5,651,800 euros A provision was set up on March 31, 2023 for an amount of 3,030,972 euros, the difference being made up to deferred income.

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 fixexd 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	494 745		84 206
TOTAL	**494 745**		**84 206**
Loans and other financial assets	9 231		
TOTAL	**9 231**		
GRAND TOTAL	**526 976**		**84 206**

	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			578 951	
TOTAL			**578 951**	
Loands and other financial assets			9 231	
TOTAL			**9 231**	
GRAND TOTAL			**611 182**	

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	110 513	127 844		238 356
TOTAL	**110 513**	**127 844**		**238 356**
GRAND TOTAL	**133 513**	**127 844**		**261 356**

	Breakdown of depreciation charges of the year			Movements affecting the derogatory depreciation	
	Straight-line	Degressive	Exception.	Endowments	Revivals
Office equipment, computers, furniture	127 844				
TOTAL	**127 844**				
TOTAL GENERAL	**127 844**				

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
Doubtful customers	5 651 800	5 651 800	
Other trade receivables	1 289 000	1 289 000	
Personnel and related accounts	2 972	2 972	
Social security and other social agencies :			
- Corporate tax	100	100	
- V.A.T	214 569	214 569	
Groups and partners	358 171	358 171	
Miscellaneous debtors	878 521	878 521	
Prepaid expenses	157 215	157 215	
GRAND TOTAL	**8 561 580**	**8 552 349**	**9 231**

STATE OF DEBTS	Gross amount	Up to one year	Between 1 and 5 year	More than 5 years
Suppliers and related accounts	1 560 349	1 560 349		
Personnel and related accounts	56 004	56 004		
Social security and other social agencies	117 643	117 643		
- V.A.T	1 164 745	1 164 745		
- Other taxes and duties	10 987	10 987		
Other debts	1 951 727	1 951 727		
Deferred income	1 866 772	1 866 772		
GRAND TOTAL	**6 728 228**	**6 728 228**		

3.3 Statement of provisions

STATE OF PROVISIONS	Beginning	Depreciation of the year	Reversal of the year	End of fiscal year
Provision for litigation	600 098		600 098	
For foreign exchange losses		40 897		40 897
Other provisions		489 722		489 722
TOTAL Provisions	**600 098**	**530 619**	**600 098**	**530 619**
On accounts receivable		3 030 972		3 030 972
TOTAL Dépréciations		**3 030 972**		**3 030 972**
TOTAL GENERAL	**600 098**	**3 561 591**	**600 098**	**3 561 591**
Of wich allocations and reversals :				
- operating		3 520 694	600 098	
- financial		40 897		
- exceptional				

The "other provisions" provision represents the net book value of fixed assets used and prepaid expenses of the project maintenance contracts of the 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.

The reversal of the provision for litigation concerns the dispute with the former employee which was settled during the year.

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	11 763
AVAILABILITIES	2 717
TOTAL	**14 480**

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	102 621
Tax and social security liabilites	84 501
TOTAL	**187 122**

3.6 Prepaid expenses and income

	Charges	Products
Operating expenses / Income	157 215	73 338
TOTAL	**157 215**	**73 338**

3.7 Compostion 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	11 434 262
TOTAL	**11 434 262**

Breakdown by geaograpich market	Amount
France	11 397 757
Foreign	36 505
TOTAL	**11 34 262**

4. FINANCIAL LIABILITIES AND OTHER INFORMATION

4.1 Intra-group benefits

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

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

4.2 Fees paid to the Statutory Auditors

The Statutory Auditors' fees amounted to 7,500€ excluding VAT in respect of their legal assignment.

4.3 Average number of employees

	Salaried employees	Personnel made available to the company
Executives	14	
TOTAL	**14**	

4.4 Commitments in respect of pensions, retirement and similar commitments

COMMITMENTS	Senior staff	Others	Provisions
Retirement indemnities and other benefits for active employees		8 282	
TOTAL		**8 282**	

They are calculated on the basis of the "Syntec" collective bargaining agreement, changes in remuneration and demographics at 31 March 2023 with a discount rate of 3.85%, 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 consolidationg the company's accounts

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

Birlasoft Solutions GmbH

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

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended on March 31, 2023.

Financial Results

Particulars	**2022– 23 (EURO) Million**	**2021– 22 (EURO) Million**
Total Income	6.29	6.43
Net Profit for the period	0.29	0.27

Operations

During the year under review, the total income of the Company has decreased by 2.18% resulting in net profit of € 0.29 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
May 4, 2023

Ashish Satija
Managing Director

TRANSLATION

Preparation Report

Annual Financial Statements as of 31 March 2023

of
Birlasoft Solutions GmbH
Bielefeld

TRANSLATION

Preparation Report
Annual Financial Statements as of 31 March 2023

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" or "company" -

engaged us to prepare the annual financial statements as at 31 March 2023 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 from April to May 2023 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 &IAV&, 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 2020 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 2023 is shown in the following compared with the previous balance sheet date:

	Balance at 31/03/2023 TEUR	**%**	**Balance at 31/03/2022 TEUR**	**%**	**Changes in comp. to prior year TEUR**	**%**
ASSETS						
Intangible fixed assets	0.4	0.0	0.9	0.0	-0.5	-55.6
Tangible fixed assets	2.2	0.1	3.0	0.1	-0.8	-26.7
Inventories	264.8	7.8	186.0	5.3	78.8	42.4
Receivables	1,881.2	55.1	1,407.1	40.1	474.1	33.7
Other assets	95.5	2.8	161.0	4.6	-65.5	-40.7
Cash funds/securities	1,116.9	32.7	1,524.5	43.4	-407.6	-26.7
Prepaid expenses	12.2	0.4	9.6	0.3	2.6	27.1
Deficit not covered by equity	40.1	1.2	218.2	6.2	-178.1	-81.6
Total Assets	**3,413.3**	**100.0**	**3,510.3**	**100.0**	**-97.0**	-2.8
Rounding difference	0.01845		-0.02593			

	Balance at 31/03/2023 TEUR	**%**	**Balance at 31/03/2022 TEUR**	**%**	**Changes in comp. to prior year TEUR**	**%**
TOTAL EQUITY AND LIABILITIES						
Liabilities to financial institutions	239.9	7.0	181.3	5.2	58.6	32.3
Liabilities on bills accepted or drawn	292.9	8.6	302.8	8.6	-9.9	-3.3
Liabilities from funding	2,602.2	76.2	2,880.1	82.0	-277.9	-9.6
Other Liabilities	278.3	8.2	146.2	4.2	132.1	90.4
Total Liabilities	**3,413.3**	**100.0**	**3,510.3**	**100.0**	**-97.0**	-2.8
Rounding difference	0.01845		-0.02593			

Supplementary information on asset and capital structure ratios:

Key figures on the net assets

	EUR	Fiscal Year Value	Previous Year Value
Equity	-40,056.23		-218,168.31
Balance sheet total	3,373,225.32		3,292,157.62
Equity ratio (%)		**-1**	-7
Equity	-40,056.23		-218,168.31
Noncurrent assets	2,612.00		3,917.00
Non-current asset coverage (%)		**-1,534**	-5,570

3.3.2 Results of operations

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

		01/04/ 01/04/ to 31/03/2023 TEUR	%	01/04/ 01/04/ to 31/03/2022 TEUR	%	Changes in comp. to prior year TEUR	%
	Sales	6,254.9	100.0	6,249.5	100.0	5.4	0.1
+	Other operating income	32.5	0.5	181.7	2.9	-149.2	-82.1
-	Cost of materials	4,693.1	75.0	4,719.0	75.5	-25.9	-0.5
-	Personnel expenses	1,101.5	17.6	1,093.3	17.5	8.2	0.8
-	Depreciation, amortisation and write-downs	2.2	0.0	3.4	0.1	-1.2	-35.3
-	Other operating expenses	121.2	1.9	337.5	5.4	-216.3	-64.1
-	Income tax expenses	80.4	1.3	0.0	0.0	80.4	-
	Profit after tax	**289.1**	**4.6**	**278.0**	**4.4**	**11.1**	**4.0**
-	Other taxes	0.1	0.0	1.3	0.0	-1.2	-92.3
	Net income/loss	**289.0**	**4.6**	**276.7**	**4.4**	**12.3**	**4.4**

Supplementary information on profitability and productivity:

Key figures on the results of operations	EUR	Fiscal Year Value	Previous Year Value
Net income for the financial year	288,986.94		276,706.15
Sales	6,254,896.67		6,249,454.05
Return on sales (%) (return on sales I (%))		**4.62**	4.43
Net income for the financial year	288,986.94		276,706.15
Equity	-40,056.23		-218,168.31
Return on equity (%)		**-721.45**	-126.83
Personnel expenses	1,101,489.61		1,093,254.51
Gross revenue	6,254,896.67		6,249,454.05
Personnel expenses rate (%)		**17.61**	17.49

Cost of materials	4,693,074.90		4,718,976.25
Gross revenue	6,254,896.67		6,249,454.05
Material costs rate (%)		**75.03**	75.51

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 411.00
(31/03/2022: EUR 949.00)

	31/03/2023 EUR	31/03/2022 EUR
Softwares	32,582.13	32,582.13
Acc. Depn. Softwares	-32,171.13	-31,633.13
	411.00	949.00

II. Tangible fixed assets

1. Technical equipment and machinery

EUR 666.00
(31/03/2022: EUR 1,282.00)

	31/03/2023 EUR	31/03/2022 EUR
Plant & Machinery Manufacturing	54,542.45	54,542.45
Acc.Depn.Plant & Machinery - Manufacturing	-53,876.45	-53,260.45
	666.00	1,282.00

2. Other equipment, operating and office equipment

EUR 1,535.00
(31/03/2022: EUR 1,686.00)

	31/03/2023 EUR	31/03/2022 EUR
Office Equipment	17,142.62	16,261.11
Acc. Depn. Office Equipment	-16,555.62	-16,261.11
Building	16,547.90	16,547.90
Acc. Depn. Building	-15,599.90	-14,861.90
	1,535.00	1,686.00

B. Current assets

I. Inventories

1. Work in progress

EUR 264,831.86
(31/03/2022: EUR 186,027.98)

	31/03/2023 EUR	31/03/2022 EUR
Domestic Unbilled Revenue Debtors A/c	0.00	111,945.00
Domestic Unbilled Revenue Debtors A/c	187,934.95	0.00
Export Unbilled Revenue Debtors A/c	0.00	73,031.86
Export Unbilled Revenue Debtors A/c	76,896.91	0.00
Domestic POC unbilled revenue Debtors	0.00	1,064.64
Exchange Rate Export unbill. Rev. Debt.	0.00	-13.52
	264,831.86	186,027.98

II. Receivables and other assets

1. Trade receivables

EUR 1,294,964.51
(31/03/2022: EUR 1,238,555.64)

	31/03/2023 EUR	31/03/2022 EUR
Domestic Debtors	1,244,735.03	1,552,156.86
Reserve For Doubtful Debts	-61,255.54	-481,148.93
Reserve For Doubtful Debts GE13/IN11	111,485.02	154,869.08
Exchang Rate Differenc Adj-Debtors	0.00	11,449.31
Exchange Rate Diff. RDD GE13/IN11	0.00	1,229.32
	1,294,964.51	1,238,555.64

2. Receivables from affiliated companies

	EUR	**586,203.90**
	(31/03/2022: EUR	168,577.03)

	31/03/2023 EUR	31/03/2022 EUR
Inter Co. Clearing Account IN11/GE13	10,312.00	3,500.00
Inter Co. Clearing Account GE13/SZ11	108,563.00	0.00
Trade rec. affiliated companies	467,328.90	0.00
Export Debtors-SYUS	0.00	48,625.41
Export Debtors-KPFR	0.00	8,269.13
Export Debtors-SYST	0.00	20,295.65
Export Debtors-KPUS	0.00	90.05
Export Debtors-UK21	0.00	11,184.21
Export Debtors-Birlasoft Inc US14	0.00	33,191.33
Export Debtors - SZ11	0.00	41,892.29
Sundry Creditors - KPUS	0.00	1,528.96
	586,203.90	168,577.03

3. Other assets

	EUR	**95,485.09**
	(31/03/2022: EUR	160,980.29)

	31/03/2023 EUR	31/03/2022 EUR
Other Receivables	125.00	125.00
Rcvbls from employees rem.term 1 yr.	0.00	1,065.50
Trade Deposits	3,483.95	13,043.02
Accounts receivable from VAT adv. paym.	51,659.00	54,757.00
Trade Tax 2022/2023	1,679.00	0.00
Advance Tax AY 2019-20	0.00	29,184.00
Advance Tax AY 2020-21	0.00	29,184.00
Advance Tax AY 2023-24	3,164.00	0.00
Sundry Creditors	43.00	1,134.16
Other Payroll Liabilities - Creditors	1,026.40	0.00
VAT, earlier years	34,304.74	32,487.61
	95,485.09	160,980.29

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

EUR 1,116,918.82
(31/03/2022: EUR 1,524,549.11)

	31/03/2023 EUR	31/03/2022 EUR
Cash on Hand Nürnberg	91.16	91.16
Hypovereins Bank-Curr A/C	1,116,827.66	1,524,457.95
	1,116,918.82	1,524,549.11

Total current assets **EUR 3,358,404.18**
(31/03/2022: EUR 3,278,690.05)

C. Prepaid expenses

EUR 12,209.14
(31/03/2022: EUR 9,550.57)

	31/03/2023 EUR	31/03/2022 EUR
Prepaid Expenses	12,209.14	9,550.57

D. Deficit not covered by equity

EUR 40,056.23
(31/03/2022: EUR 218,168.31)

	31/03/2023 EUR	31/03/2022 EUR
Deficit not covered by equity	40,056.23	218,168.31

Total Assets **EUR 3,413,281.55**
(31/03/2022: EUR 3,510,325.93)

A. Equity

I. Subscribed capital

	EUR	**25,000.00**
	(31/03/2022: EUR	25,000.00)

	31/03/2023 EUR	31/03/2022 EUR
Issued & Paid Up Capital	25,000.00	25,000.00

II. Accumulated losses brought forward

	EUR	**354,043.17**
	(31/03/2022: EUR	519,874.46)

	31/03/2023 EUR	31/03/2022 EUR
Profit & Loss Account	572,544.17	0.00
Profit & Loss prior to acquisition	-218,501.00	519,874.46
	354,043.17	519,874.46

III. Net income for the financial year

	EUR	**288,986.94**
	(31/03/2022: EUR	276,706.15)

	31/03/2023 EUR	31/03/2022 EUR
Net income for the financial year	288,986.94	276,706.15

Deficit not covered

	EUR	**40,056.23**
	(31/03/2022: EUR	218,168.31)

	31/03/2023 EUR	31/03/2022 EUR
Deficit not covered	40,056.23	218,168.31

Total equity

	EUR	**0.00**
	(31/03/2022: EUR	0.00)

B. Provisions

1. Provisions for taxes

	EUR	**58,500.00**
	(31/03/2022: EUR	0.00)

	31/03/2023 EUR	31/03/2022 EUR
Provision for trade tax, EStG s. 4(5b)	30,100.00	0.00
Provisions for corporate income tax	28,400.00	0.00
	58,500.00	0.00

2. Other provisions

	EUR	**181,442.74**
	(31/03/2022: EUR	181,305.66)

	31/03/2023 EUR	31/03/2022 EUR
Provision For Expenses	70,557.74	72,327.40
Provision for BTB cost on Advance billing	0.00	63.90
Provision for Marketing Bonus & Commission	79,378.00	79,378.00
Leave Encashment Payable	26,700.00	29,539.00
Provsns for record retntn obligations	4,807.00	0.00
Exchange Rate Diff. Prov. BTB adv. bill.	0.00	-2.64
	181,442.74	181,305.66

C. Liabilities

1. Advance payments received on orders

	EUR	**292,770.92**
	(31/03/2022: EUR	298,376.16)

	31/03/2023 EUR	31/03/2022 EUR
Advance Billing	36,530.08	42,007.27
Advance from Customer	256,240.84	256,240.84
Exchange Rate Advance from Customer	0.00	128.05
	292,770.92	298,376.16

2. Trade payables

	EUR	**97.69**
(31/03/2022:	EUR	4,379.48)

	31/03/2023 EUR	31/03/2022 EUR
Sundry Creditors	97.69	4,379.48

3. Liabilities to affiliated companies

	EUR	**2,602,170.14**
(31/03/2022:	EUR	2,880,084.01)

	31/03/2023 EUR	31/03/2022 EUR
Trade rec. affiliated companies	83,326.77	0.00
Trade payables affiliated companies	2,439,513.72	0.00
Sundry Creditors - KPIN	0.00	2,455,457.12
Sundry Creditors - SYUS	0.00	96,065.69
Sundry Creditors - KPSP	0.00	76,432.08
Sundry Creditors - SYCN	0.00	172,852.63
Sundry Creditors - UK21	0.00	94,501.05
Sundry Creditors - KPFR	0.00	8.01
Sundry Creditors - UK22	54,771.02	0.00
Exchange Rate Diff Adj - Intercompany Creditors	10,405.22	-3,946.24
Exchange Rate Diff Adj - UK21	-13.58	-17.55
Exchange Rate Diff Adj - US11	13,108.01	-2.93
Exchange Rate Diff Adj - US12	-9,081.53	-82.05
Exchange Rate Diff Adj - US13	0.00	-739.25
Exchange Rate Diff Adj - CD11	10,140.51	0.00
Exchange Rate Diff Adj - UK22	0.00	-1,271.48
Exchange Rate Diff Adj - IN11	0.00	-9,173.07
	2,602,170.14	2,880,084.01

4. Other liabilities

EUR 278,300.06
(31/03/2022: EUR 146,180.62)

- of which taxes EUR 261,779.07 (EUR 116,999.63)

- of which social security EUR 2,885.95 (EUR 5,636.91)

	31/03/2023 EUR	31/03/2022 EUR
Domestic Debtors	2,190.54	0.00
Advance To Employees-Travel	2,986.22	0.00
Deductible input tax, 7%	-137.67	-64.01
Deductible input tax, 5%	0.00	-3.24
Deductible input tax, 16%	233.02	-5,434.92
Deductible input tax, 19%	113,490.87	76,011.79
Dedctbl inpt tax sec 13b UStG 19%	-1,171,125.23	-1,226,384.19
Dedctbl inpt tax sec 13b UStG 16%	-89.44	-10,305.51
Ohter Liabilities Staff	0.00	2,279.57
Loans	1,056.57	0.00
Tds-From Salary	5,097.68	11,260.92
Other Payroll Liabilities	2,304.03	2,304.03
Other Payroll Liabilities - Creditors	0.00	7,699.56
Provident Fund Payable	2,885.95	5,636.91
VAT, 16%	-1,996.80	-2,189.98
VAT, 19%	765,671.90	635,951.02
VAT prepayments	-560,725.25	-548,559.70
VAT Deposit A/c	-54,757.00	-53,775.00
VAT under section 13b UStG, 19%	1,171,125.23	1,226,384.19
VAT under section 13b UStG, 16%	89.44	10,305.51
VAT, previous year	0.00	0.11
Liabilities from VAT advance payments	0.00	15,063.56
	278,300.06	146,180.62

Total Equity and Liabilities

EUR 3,413,281.55
(31/03/2022: EUR 3,510,325.93)

	2022/2023 EUR	2021/2022 EUR
1. Sales	**6,254,896.67**	6,249,454.05

	2022/2023 EUR	2021/2022 EUR
Export Sales	175,676.12	361,346.61
Export Sales - Back to back Sales	1,984,011.50	2,764,006.35
Export Sales - Internally developed license	17,707.05	-29,510.00
Export Sales - US - Back to back	91,982.87	90.05
Export Sales-Pivolis	103,471.54	8,269.13
Export Sales - Back to back SYUS	0.00	106,028.03
Export Sales - Systime Canada BTB	37,831.32	20,295.65
Export Sale - UK21 (No Cost Element)	16,084.27	199,314.95
Export Sale - BSL Switzerland	85,826.38	41,892.29
Export Sale - Birlasoft Inc BTB	70,606.02	33,191.33
Domestic Sales	765,395.97	461,162.03
Domestic Sales Back to back Sales	2,906,303.63	2,283,367.63
	6,254,896.67	6,249,454.05

	2022/2023 EUR	2021/2022 EUR
2. Other operating income	**32,506.76**	181,678.26

- of which currency translation gains EUR 16,527.79 (EUR 63,634.43)

	2022/2023 EUR	2021/2022 EUR
Other Receipts	0.00	110,300.65
Foreign Exc Gain/(Loss)-Debtors Revluation	16,527.79	63,634.43
Foreign exchange gain/loss-Realised Debtors/ Sales	15,270.08	7,292.95
Foreign Exchange Loss (Others)	278.71	450.23
Allocated other non-cash benefits	27.61	0.00
Prior - period income	402.57	0.00
	32,506.76	181,678.26

3. Cost of materials

	2022/2023 EUR	2021/2022 EUR
a) Cost of raw materials, consumables and supplies, and of purchased merchandise	**-517.12**	13,674.61

	2022/2023 EUR	2021/2022 EUR
Project related direct exps incl comp re	-22,440.00	0.00
Product Purchase Expenses-AMC	21,922.88	13,674.61
	-517.12	13,674.61

	2022/2023 EUR	2021/2022 EUR
b) Expenses for purchased services	**4,693,592.02**	4,705,301.64

	2022/2023 EUR	2021/2022 EUR
Software Service Charges - KPBN (No Cost Element)	4,303,477.75	4,451,224.03
Software Service Charges - UK21 (No cost element)	32,398.03	79,624.65
Software Service Charges - KPSP	0.00	146,433.84
Software Serv. Charges BTB SYCN-SYUS	95,260.13	94,612.71
Software Service Charges - KPUS (No Cost Element)	268,273.71	-1,528.96
Software Service Charges - SYUS (No Cost Element)	0.00	4.53
Professional Fees - Onsite	-5,817.60	-65,069.16
	4,693,592.02	4,705,301.64

4. Personnel expenses

	2022/2023 EUR	2021/2022 EUR
a) Wages and salaries	**1,099,637.69**	1,085,149.83

	2022/2023 EUR	2021/2022 EUR
Salaries	806,239.35	778,273.91
G & A support salary allocation A/c	48,098.00	36,986.00
Salaries- Support	4,522.54	5,582.88
Salaries- Marketing Staff	203,537.46	151,863.81
Bonus & Ex-Gratia-Development	37,240.34	112,443.23
	1,099,637.69	1,085,149.83

	2022/2023 EUR	2021/2022 EUR
b) Social security costs and expenses related to pension plans and for support	**1,851.92**	8,104.68

	2022/2023 EUR	2021/2022 EUR
Contrb. to occup. health/safety agency	1,824.31	8,104.68
Vol. social benfts not subj to wage tx	27.61	0.00
	1,851.92	8,104.68

5. Depreciation and amortization

	2022/2023 EUR	2021/2022 EUR
a) Of noncurrent intangible assets and property, plant and equipment	**2,186.51**	3,378.14

	2022/2023 EUR	2021/2022 EUR
Depreciation	2,186.51	3,378.14

	2022/2023 EUR	2021/2022 EUR
6. Other operating expenses	**121,151.37**	337,529.11

- of which currency translation losses EUR -9,888.23 (EUR 245,799.01)

	2022/2023 EUR	2021/2022 EUR
Small Difference Account	4,807.00	0.00
Recruitment Expenses - Commission	30,420.00	0.00
Facility Mgmt.Exps.	0.00	5,929.44
Rent	7,237.01	31,075.26
Insurance-Others	8,275.62	8,293.46
Contributions	110.00	0.00
Disabled persons equalisation levy	0.00	-4,905.00
Misc.Repairs-Computer Hardware	6,834.31	18,068.02
Insurance-Vehicle	1,418.16	2,809.48
Repairs, Maint & Petrol - Vehicles	1,517.47	5,079.80
Car Lease Charges	4,089.08	3,335.36
Advertisement Expenses(Corpora	0.00	88.50
Werbekosten	1,777.23	0.00
Staff Welfare Expenses	1,153.00	2,468.67
Domestic Travel- Other Expenses	0.00	186.92
Travel Support-Domestic	18,739.69	24,490.86
Transport - Employee	0.00	19.70
Postage & Courier	164.96	204.20
Telephone Expenses	6,124.25	19,114.78
Other Office Expenses	117.09	28,723.51
Legal Expenses	17,419.14	42,369.10
Professional Fees	79,313.46	96,691.10
Computer Lease Charges	1,504.17	10,104.67
Bank Charges-Foreign	14,870.45	17,857.67
Currency translation losses	-2,722.63	202,257.20
Foreign Exchange Loss (Others)	-7,165.60	43,541.81
Provision For Doubtful Debts	-376,509.33	-241,778.14
Bad Debts	305,966.06	0.00
Creditors w.off / w.back	-4,309.22	21,502.74
	121,151.37	337,529.11

	2022/2023 EUR	2021/2022 EUR
7. other interest and similar income	**1.47**	0.00

	2022/2023 EUR	2021/2022 EUR
Interest Other	1.47	0.00

	2022/2023 EUR	2021/2022 EUR
8. Taxes on income	**80,388.00**	0.00

	2022/2023 EUR	2021/2022 EUR
Corporate income tax	26,900.00	0.00
Corporate income tax for prior years	20,748.00	0.00
Solidarity surcharge	1,500.00	0.00
Solidarity surcharge for prior years	1,140.00	0.00
Trade tax	30,100.00	0.00
	80,388.00	0.00

	2022/2023 EUR	2021/2022 EUR
9. Net income/net loss after tax	**289,114.51**	277,994.30

	2022/2023 EUR	2021/2022 EUR
10. Other taxes	**127.57**	1,288.15

	2022/2023 EUR	2021/2022 EUR
Rates & Taxes-Others	127.57	1,288.15

	2022/2023 EUR	2021/2022 EUR
11. Net income for the financial year	**288,986.94**	276,706.15

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 2022 to 31 March 2023 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, 4 May 2023

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 2023

Birlasoft Solutions GmbH, Bielefeld

ASSETS

	EUR	Financial Year EUR	Prior Year 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		411.00	949.00
II. Tangible fixed assets			
1. Technical equipment and machinery	666.00		1,282.00
2. Other equipment, operating and office equipment	1,535.00		1,686.00
		2,201.00	2,968.00
Total noncurrent asset		2,612.00	3,917.00
B. Current assets			
I. Inventories			
1. Work in progress		264,831.86	186,027.98
II. Receivables and other assets			
1. Trade receivables	1,294,964.51		1,238,555.64
2. Receivables from affiliated companies	586,203.90		168,577.03
3. Other assets	95,485.09		160,980.29
		1,976,653.50	1,568,112.96
III. Cash on hand, central bank balances, bank balances, and checks		1,116,918.82	1,524,549.11
Total current assets		3,358,404.18	3,278,690.05
C. Prepaid expenses		12,209.14	9,550.57
D. Deficit not covered by equity		40,056.23	218,168.31
		3,413,281.55	**3,510,325.93**

TOTAL EQUITY AND LIABILITIES

	EUR	Financial Year EUR	Prior Year EUR
A. Equity			
I. Subscribed capital		25,000.00	25,000.00
II. Accumulated losses brought forward		354,043.17	519,874.46
III. Net income for the financial year		288,986.94	276,706.15
Deficit not covered		40,056.23	218,168.31
Total equity		0.00	0.00
B. Provisions			
1. Provisions for taxes	58,500.00		0.00
2. Other provisions	181,442.74		181,305.66
		239,942.74	181,305.66
C. Liabilities			
1. Advance payments received on orders	292,770.92		298,376.16
2. Trade payables	97.69		4,379.48
3. Liabilities to affiliated companies	2,602,170.14		2,880,084.01
4. Other liabilities	278,300.06		146,180.62
- of which taxes EUR 261,779.07 (EUR 116,999.63)			
- of which social security EUR 2,885.95 (EUR 5,636.91)			
		3,173,338.81	3,329,020.27
		3,413,281.55	**3,510,325.93**

		EUR	Financial Year EUR	Prior Year EUR
1.	Sales		6,254,896.67	6,249,454.05
2.	Other operating income - of which currency translation gains EUR 16,527.79 (EUR 63,634.43)		32,506.76	181,678.26
3.	Cost of materials			
a)	Cost of raw materials, consumables and supplies, and of purchased merchandise	517.12-		13,674.61
b)	Expenses for purchased services	4,693,592.02		4,705,301.64
			4,693,074.90	4,718,976.25
4.	Personnel expenses			
a)	Wages and salaries	1,099,637.69		1,085,149.83
b)	Social security costs and expenses related to pension plans and for support	1,851.92		8,104.68
			1,101,489.61	1,093,254.51
5.	Depreciation and amortization			
a)	Of noncurrent intangible assets and property, plant and equipment		2,186.51	3,378.14
6.	Other operating expenses - of which currency translation losses EUR -9,888.23 (EUR 245,799.01)		121,151.37	337,529.11
7.	other interest and similar income		1.47	0.00
8.	Taxes on income		80,388.00	0.00
9.	**Net income/net loss after tax**		**289,114.51**	**277,994.30**
10.	Other taxes		127.57	1,288.15
11.	**Net income for the financial year**		**288,986.94**	**276,706.15**

Fixed Asset Schedule as of 31 March 2023

Birlasoft Solutions GmbH, Bielefeld

	acquisition-, production-cost 01/04/2022 EUR	additions EUR	acquisition-, production-cost 31/03/2023 EUR	accumulated depreciations 01/04/2022 EUR	depreciations financial year EUR	accumulated depreciations 31/03/2023 EUR	book value 31/03/2023 EUR	book value 31/03/2022 EUR
A. Noncurrent assets								
I. Intangible fixed assets								
1. Purchased licences, trademarks and similar rights and values as well as licenses to such rights and values	32,582.13	0.00	32,582.13	31,633.13	538.00	32,171.13	411.00	949.00
Total intangible fixed assets	**32,582.13**	**0.00**	**32,582.13**	**31,633.13**	**538.00**	**32,171.13**	**411.00**	**949.00**
II. Tangible fixed assets								
1. Technical equipment and machinery	54,542.45	0.00	54,542.45	53,260.45	616.00	53,876.45	666.00	1,282.00
2. Other equipment, operating and office equipment	32,809.01	881.51	33,690.52	31,123.01	1,032.51	32,155.52	1,535.00	1,686.00
Total tangible fixed assets	**87,351.46**	**881.51**	**88,232.97**	**84,383.46**	**1,648.51**	**86,031.97**	**2,201.00**	**2,968.00**
Total noncurrent asset	**119,933.59**	**881.51**	**120,815.10**	**116,016.59**	**2,186.51**	**118,203.10**	**2,612.00**	**3,917.00**

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 3,173,338.81 EUR (prior year: 3,329,020.27 EUR).

Other disclosures

Average number of employees during the financial year

The average number of employees during the financial year in the company was 12.5.

Signature of management

Bielefeld, 4 May 2023

Ashish Satija
Managing Director

General engagement terms for tax advisers and tax advisory firms

[Translator's notes are in square brackets]

General Engagement Terms
for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax**;**

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

Allgemeine Auftragsbedingungen
für
Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften
vom 1. Januar 2017

1. Geltungsbereich

(1) Die Auftragsbedingungen gelten für Verträge zwischen Wirtschaftsprüfern oder Wirtschaftsprüfungsgesellschaften (im Nachstehenden zusammenfassend „Wirtschaftsprüfer" genannt) und ihren Auftraggebern über Prüfungen, Steuerberatung, Beratungen in wirtschaftlichen Angelegenheiten und sonstige Aufträge, soweit nicht etwas anderes ausdrücklich schriftlich vereinbart oder gesetzlich zwingend vorgeschrieben ist.

(2) Dritte können nur dann Ansprüche aus dem Vertrag zwischen Wirtschaftsprüfer und Auftraggeber herleiten, wenn dies ausdrücklich vereinbart ist oder sich aus zwingenden gesetzlichen Regelungen ergibt. Im Hinblick auf solche Ansprüche gelten diese Auftragsbedingungen auch diesen Dritten gegenüber.

2. Umfang und Ausführung des Auftrags

(1) Gegenstand des Auftrags ist die vereinbarte Leistung, nicht ein bestimmter wirtschaftlicher Erfolg. Der Auftrag wird nach den Grundsätzen ordnungsmäßiger Berufsausübung ausgeführt. Der Wirtschaftsprüfer übernimmt im Zusammenhang mit seinen Leistungen keine Aufgaben der Geschäftsführung. Der Wirtschaftsprüfer ist für die Nutzung oder Umsetzung der Ergebnisse seiner Leistungen nicht verantwortlich. Der Wirtschaftsprüfer ist berechtigt, sich zur Durchführung des Auftrags sachverständiger Personen zu bedienen.

(2) Die Berücksichtigung ausländischen Rechts bedarf – außer bei betriebswirtschaftlichen Prüfungen – der ausdrücklichen schriftlichen Vereinbarung.

(3) Ändert sich die Sach- oder Rechtslage nach Abgabe der abschließenden beruflichen Äußerung, so ist der Wirtschaftsprüfer nicht verpflichtet, den Auftraggeber auf Änderungen oder sich daraus ergebende Folgerungen hinzuweisen.

3. Mitwirkungspflichten des Auftraggebers

(1) Der Auftraggeber hat dafür zu sorgen, dass dem Wirtschaftsprüfer alle für die Ausführung des Auftrags notwendigen Unterlagen und weiteren Informationen rechtzeitig übermittelt werden und ihm von allen Vorgängen und Umständen Kenntnis gegeben wird, die für die Ausführung des Auftrags von Bedeutung sein können. Dies gilt auch für die Unterlagen und weiteren Informationen, Vorgänge und Umstände, die erst während der Tätigkeit des Wirtschaftsprüfers bekannt werden. Der Auftraggeber wird dem Wirtschaftsprüfer geeignete Auskunftspersonen benennen.

(2) Auf Verlangen des Wirtschaftsprüfers hat der Auftraggeber die Vollständigkeit der vorgelegten Unterlagen und der weiteren Informationen sowie der gegebenen Auskünfte und Erklärungen in einer vom Wirtschaftsprüfer formulierten schriftlichen Erklärung zu bestätigen.

4. Sicherung der Unabhängigkeit

(1) Der Auftraggeber hat alles zu unterlassen, was die Unabhängigkeit der Mitarbeiter des Wirtschaftsprüfers gefährdet. Dies gilt für die Dauer des Auftragsverhältnisses insbesondere für Angebote auf Anstellung oder Übernahme von Organfunktionen und für Angebote, Aufträge auf eigene Rechnung zu übernehmen.

(2) Sollte die Durchführung des Auftrags die Unabhängigkeit des Wirtschaftsprüfers, die der mit ihm verbundenen Unternehmen, seiner Netzwerkunternehmen oder solcher mit ihm assoziierten Unternehmen, auf die die Unabhängigkeitsvorschriften in gleicher Weise Anwendung finden wie auf den Wirtschaftsprüfer, in anderen Auftragsverhältnissen beeinträchtigen, ist der Wirtschaftsprüfer zur außerordentlichen Kündigung des Auftrags berechtigt.

5. Berichterstattung und mündliche Auskünfte

Soweit der Wirtschaftsprüfer Ergebnisse im Rahmen der Bearbeitung des Auftrags schriftlich darzustellen hat, ist alleine diese schriftliche Darstellung maßgebend. Entwürfe schriftlicher Darstellungen sind unverbindlich. Sofern nicht anders vereinbart, sind mündliche Erklärungen und Auskünfte des Wirtschaftsprüfers nur dann verbindlich, wenn sie schriftlich bestätigt werden. Erklärungen und Auskünfte des Wirtschaftsprüfers außerhalb des erteilten Auftrags sind stets unverbindlich.

6. Weitergabe einer beruflichen Äußerung des Wirtschaftsprüfers

(1) Die Weitergabe beruflicher Äußerungen des Wirtschaftsprüfers (Arbeitsergebnisse oder Auszüge von Arbeitsergebnissen – sei es im Entwurf oder in der Endfassung) oder die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber an einen Dritten bedarf der schriftlichen Zustimmung des Wirtschaftsprüfers, es sei denn, der Auftraggeber ist zur Weitergabe oder Information aufgrund eines Gesetzes oder einer behördlichen Anordnung verpflichtet.

(2) Die Verwendung beruflicher Äußerungen des Wirtschaftsprüfers und die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber zu Werbezwecken durch den Auftraggeber sind unzulässig.

7. Mängelbeseitigung

(1) Bei etwaigen Mängeln hat der Auftraggeber Anspruch auf Nacherfüllung durch den Wirtschaftsprüfer. Nur bei Fehlschlagen, Unterlassen bzw. unberechtigter Verweigerung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung kann er die Vergütung mindern oder vom Vertrag zurücktreten; ist der Auftrag nicht von einem Verbraucher erteilt worden, so kann der Auftraggeber wegen eines Mangels nur dann vom Vertrag zurücktreten, wenn die erbrachte Leistung wegen Fehlschlagens, Unterlassung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung für ihn ohne Interesse ist. Soweit darüber hinaus Schadensersatzansprüche bestehen, gilt Nr. 9.

(2) Der Anspruch auf Beseitigung von Mängeln muss vom Auftraggeber unverzüglich in Textform geltend gemacht werden. Ansprüche nach Abs. 1, die nicht auf einer vorsätzlichen Handlung beruhen, verjähren nach Ablauf eines Jahres ab dem gesetzlichen Verjährungsbeginn.

(3) Offenbare Unrichtigkeiten, wie z.B. Schreibfehler, Rechenfehler und formelle Mängel, die in einer beruflichen Äußerung (Bericht, Gutachten und dgl.) des Wirtschaftsprüfers enthalten sind, können jederzeit vom Wirtschaftsprüfer auch Dritten gegenüber berichtigt werden. Unrichtigkeiten, die geeignet sind, in der beruflichen Äußerung des Wirtschaftsprüfers enthaltene Ergebnisse infrage zu stellen, berechtigen diesen, die Äußerung auch Dritten gegenüber zurückzunehmen. In den vorgenannten Fällen ist der Auftraggeber vom Wirtschaftsprüfer tunlichst vorher zu hören.

8. Schweigepflicht gegenüber Dritten, Datenschutz

(1) Der Wirtschaftsprüfer ist nach Maßgabe der Gesetze (§ 323 Abs. 1 HGB, § 43 WPO, § 203 StGB) verpflichtet, über Tatsachen und Umstände, die ihm bei seiner Berufstätigkeit anvertraut oder bekannt werden, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn von dieser Schweigepflicht entbindet.

(2) Der Wirtschaftsprüfer wird bei der Verarbeitung von personenbezogenen Daten die nationalen und europarechtlichen Regelungen zum Datenschutz beachten.

9. Haftung

(1) Für gesetzlich vorgeschriebene Leistungen des Wirtschaftsprüfers, insbesondere Prüfungen, gelten die jeweils anzuwendenden gesetzlichen Haftungsbeschränkungen, insbesondere die Haftungsbeschränkung des § 323 Abs. 2 HGB.

(2) Sofern weder eine gesetzliche Haftungsbeschränkung Anwendung findet noch eine einzelvertragliche Haftungsbeschränkung besteht, ist die Haftung des Wirtschaftsprüfers für Schadensersatzansprüche jeder Art, mit Ausnahme von Schäden aus der Verletzung von Leben, Körper und Gesundheit, sowie von Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen, bei einem fahrlässig verursachten einzelnen Schadensfall gemäß § 54a Abs. 1 Nr. 2 WPO auf 4 Mio. € beschränkt.

(3) Einreden und Einwendungen aus dem Vertragsverhältnis mit dem Auftraggeber stehen dem Wirtschaftsprüfer auch gegenüber Dritten zu.

(4) Leiten mehrere Anspruchsteller aus dem mit dem Wirtschaftsprüfer bestehenden Vertragsverhältnis Ansprüche aus einer fahrlässigen Pflichtverletzung des Wirtschaftsprüfers her, gilt der in Abs. 2 genannte Höchstbetrag für die betreffenden Ansprüche aller Anspruchsteller insgesamt.

(5) Ein einzelner Schadensfall im Sinne von Abs. 2 ist auch bezüglich eines aus mehreren Pflichtverletzungen stammenden einheitlichen Schadens gegeben. Der einzelne Schadensfall umfasst sämtliche Folgen einer Pflichtverletzung ohne Rücksicht darauf, ob Schäden in einem oder in mehreren aufeinanderfolgenden Jahren entstanden sind. Dabei gilt mehrfaches auf gleicher oder gleichartiger Fehlerquelle beruhendes Tun oder Unterlassen als einheitliche Pflichtverletzung, wenn die betreffenden Angelegenheiten miteinander in rechtlichem oder wirtschaftlichem Zusammenhang stehen. In diesem Fall kann der Wirtschaftsprüfer nur bis zur Höhe von 5 Mio. € in Anspruch genommen werden. Die Begrenzung auf das Fünffache der Mindestversicherungssumme gilt nicht bei gesetzlich vorgeschriebenen Pflichtprüfungen.

(6) Ein Schadensersatzanspruch erlischt, wenn nicht innerhalb von sechs Monaten nach der schriftlichen Ablehnung der Ersatzleistung Klage erhoben wird und der Auftraggeber auf diese Folge hingewiesen wurde. Dies gilt nicht für Schadensersatzansprüche, die auf vorsätzliches Verhalten zurückzuführen sind, sowie bei einer schuldhaften Verletzung von Leben, Körper oder Gesundheit sowie bei Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen. Das Recht, die Einrede der Verjährung geltend zu machen, bleibt unberührt.

10. Ergänzende Bestimmungen für Prüfungsaufträge

(1) Ändert der Auftraggeber nachträglich den durch den Wirtschaftsprüfer geprüften und mit einem Bestätigungsvermerk versehenen Abschluss oder Lagebericht, darf er diesen Bestätigungsvermerk nicht weiterverwenden.

Hat der Wirtschaftsprüfer einen Bestätigungsvermerk nicht erteilt, so ist ein Hinweis auf die durch den Wirtschaftsprüfer durchgeführte Prüfung im Lagebericht oder an anderer für die Öffentlichkeit bestimmter Stelle nur mit schriftlicher Einwilligung des Wirtschaftsprüfers und mit dem von ihm genehmigten Wortlaut zulässig.

(2) Widerruft der Wirtschaftsprüfer den Bestätigungsvermerk, so darf der Bestätigungsvermerk nicht weiterverwendet werden. Hat der Auftraggeber den Bestätigungsvermerk bereits verwendet, so hat er auf Verlangen des Wirtschaftsprüfers den Widerruf bekanntzugeben.

(3) Der Auftraggeber hat Anspruch auf fünf Berichtsausfertigungen. Weitere Ausfertigungen werden besonders in Rechnung gestellt.

11. Ergänzende Bestimmungen für Hilfeleistung in Steuersachen

(1) Der Wirtschaftsprüfer ist berechtigt, sowohl bei der Beratung in steuerlichen Einzelfragen als auch im Falle der Dauerberatung die vom Auftraggeber genannten Tatsachen, insbesondere Zahlenangaben, als richtig und vollständig zugrunde zu legen; dies gilt auch für Buchführungsaufträge. Er hat jedoch den Auftraggeber auf von ihm festgestellte Unrichtigkeiten hinzuweisen.

(2) Der Steuerberatungsauftrag umfasst nicht die zur Wahrung von Fristen erforderlichen Handlungen, es sei denn, dass der Wirtschaftsprüfer hierzu ausdrücklich den Auftrag übernommen hat. In diesem Fall hat der Auftraggeber dem Wirtschaftsprüfer alle für die Wahrung von Fristen wesentlichen Unterlagen, insbesondere Steuerbescheide, so rechtzeitig vorzulegen, dass dem Wirtschaftsprüfer eine angemessene Bearbeitungszeit zur Verfügung steht.

(3) Mangels einer anderweitigen schriftlichen Vereinbarung umfasst die laufende Steuerberatung folgende, in die Vertragsdauer fallenden Tätigkeiten:

- **a)** Ausarbeitung der Jahressteuererklärungen für die Einkommensteuer, Körperschaftsteuer und Gewerbesteuer sowie der Vermögensteuererklärungen, und zwar auf Grund der vom Auftraggeber vorzulegenden Jahresabschlüsse und sonstiger für die Besteuerung erforderlicher Aufstellungen und Nachweise
- **b)** Nachprüfung von Steuerbescheiden zu den unter a) genannten Steuern
- **c)** Verhandlungen mit den Finanzbehörden im Zusammenhang mit den unter a) und b) genannten Erklärungen und Bescheiden
- **d)** Mitwirkung bei Betriebsprüfungen und Auswertung der Ergebnisse von Betriebsprüfungen hinsichtlich der unter a) genannten Steuern
- **e)** Mitwirkung in Einspruchs- und Beschwerdeverfahren hinsichtlich der unter a) genannten Steuern.

Der Wirtschaftsprüfer berücksichtigt bei den vorgenannten Aufgaben die wesentliche veröffentlichte Rechtsprechung und Verwaltungsauffassung.

(4) Erhält der Wirtschaftsprüfer für die laufende Steuerberatung ein Pauschalhonorar, so sind mangels anderweitiger schriftlicher Vereinbarungen die unter Abs. 3 Buchst. d) und e) genannten Tätigkeiten gesondert zu honorieren.

(5) Sofern der Wirtschaftsprüfer auch Steuerberater ist und die Steuerberatervergütungsverordnung für die Bemessung der Vergütung anzuwenden ist, kann eine höhere oder niedrigere als die gesetzliche Vergütung in Textform vereinbart werden.

(6) Die Bearbeitung besonderer Einzelfragen der Einkommensteuer, Körperschaftsteuer, Gewerbesteuer, Einheitsbewertung und Vermögensteuer sowie aller Fragen der Umsatzsteuer, Lohnsteuer, sonstigen Steuern und Abgaben erfolgt auf Grund eines besonderen Auftrags. Dies gilt auch für

- **a)** die Bearbeitung einmalig anfallender Steuerangelegenheiten, z.B. auf dem Gebiet der Erbschaftsteuer, Kapitalverkehrsteuer, Grunderwerbsteuer,
- **b)** die Mitwirkung und Vertretung in Verfahren vor den Gerichten der Finanz- und der Verwaltungsgerichtsbarkeit sowie in Steuerstrafsachen,
- **c)** die beratende und gutachtliche Tätigkeit im Zusammenhang mit Umwandlungen, Kapitalerhöhung und -herabsetzung, Sanierung, Eintritt und Ausscheiden eines Gesellschafters, Betriebsveräußerung, Liquidation und dergleichen und
- **d)** die Unterstützung bei der Erfüllung von Anzeige- und Dokumentationspflichten.

(7) Soweit auch die Ausarbeitung der Umsatzsteuerjahreserklärung als zusätzliche Tätigkeit übernommen wird, gehört dazu nicht die Überprüfung etwaiger besonderer buchmäßiger Voraussetzungen sowie die Frage, ob alle in Betracht kommenden umsatzsteuerrechtlichen Vergünstigungen wahrgenommen worden sind. Eine Gewähr für die vollständige Erfassung der Unterlagen zur Geltendmachung des Vorsteuerabzugs wird nicht übernommen.

12. Elektronische Kommunikation

Die Kommunikation zwischen dem Wirtschaftsprüfer und dem Auftraggeber kann auch per E-Mail erfolgen. Soweit der Auftraggeber eine Kommunikation per E-Mail nicht wünscht oder besondere Sicherheitsanforderungen stellt, wie etwa die Verschlüsselung von E-Mails, wird der Auftraggeber den Wirtschaftsprüfer entsprechend in Textform informieren.

13. Vergütung

(1) Der Wirtschaftsprüfer hat neben seiner Gebühren- oder Honorarforderung Anspruch auf Erstattung seiner Auslagen; die Umsatzsteuer wird zusätzlich berechnet. Er kann angemessene Vorschüsse auf Vergütung und Auslagenersatz verlangen und die Auslieferung seiner Leistung von der vollen Befriedigung seiner Ansprüche abhängig machen. Mehrere Auftraggeber haften als Gesamtschuldner.

(2) Ist der Auftraggeber kein Verbraucher, so ist eine Aufrechnung gegen Forderungen des Wirtschaftsprüfers auf Vergütung und Auslagenersatz nur mit unbestrittenen oder rechtskräftig festgestellten Forderungen zulässig.

14. Streitschlichtungen

Der Wirtschaftsprüfer ist nicht bereit, an Streitbeilegungsverfahren vor einer Verbraucherschlichtungsstelle im Sinne des § 2 des Verbraucherstreitbeilegungsgesetzes teilzunehmen.

15. Anzuwendendes Recht

Für den Auftrag, seine Durchführung und die sich hieraus ergebenden Ansprüche gilt nur deutsches Recht.

Birlasoft Solutions Inc.

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

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2023.

Financial Results

Particulars	**2022-23 USD (Million)**	**2021-22 USD (Million)**
Total Income	214.06	186.05
Net Profit / (Loss) for the year	(0.50)	4.87

Operations

During the year under review, total expenses of the Company increased due to one-time provision of USD 13.54 million, which resulted in net loss of USD 0.50 million.

Board of Directors

During the year under review, Mr. Dharmander Kapoor resigned as the Director effective end of business hours of November 30, 2022 and Mr. Angan Guha was appointed as the Chief Executive Officer and Managing Director of the Company effective December 1, 2022. Mr. Angan Guha, Ms. Nandita Gurjar, Mr. S. S. Kejriwal and Ms. Anindita Chowdhury are the current Directors of the Company.

Audit

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

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

Pune
May 8, 2023

Angan Guha
Director

Birlasoft Solutions Inc.

Balance Sheet

as at 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	**2A**	**612,508**	644,595
Right-of-use assets	**2B**	**1,251,462**	1,650,097
Other intangible assets	**2C**	**-**	-
Investments	**3**	**39,571,308**	39,571,308
Income tax assets (net)		**3,566,754**	600,382
Deferred tax assets (net)	**4**	**2,530,712**	1,486,702
Other non-current assets	**5**	**511,846**	647,736
		48,044,590	44,600,820
Current assets			
Financial assets			
Trade receivables			
Billed	**6**	**49,576,002**	43,326,117
Unbilled		**4,144,660**	3,390,538
Cash and cash equivalents	**7**	**11,019,855**	7,703,807
Other financial assets	**8**	**12,211**	13,151
Other current assets	**9**	**4,158,307**	25,343,062
		68,911,035	79,776,675
TOTAL ASSETS		**116,955,625**	124,377,495
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**10**	**55,709,854**	55,709,854
Other equity		**22,747,212**	23,244,272
Total equity		**78,457,066**	78,954,126
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	**11**	**1,033,031**	1,476,227
		1,033,031	1,476,227
Current liabilities			
Financial liabilities			
Trade payables	**12**	**29,583,841**	33,189,205
Lease liabilities	**13**	**431,478**	349,882
Other financial liabilities	**14**	**3,537,651**	3,820,761
Other current liabilities	**15**	**1,548,271**	5,583,764
Provisions	**16**	**1,501,913**	1,003,530
Income tax liabilities (net)		**862,374**	-
		37,465,528	43,947,142
TOTAL EQUITY AND LIABILITIES		**116,955,625**	124,377,495

Significant accounting policies	**1**
Notes referred to above form an integral part of the financial statements	**2-24**

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Solutions Inc.

Statement of Profit and Loss

for the year ended 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
Revenue from operations	**17**	**214,074,073**	185,669,855
Other income (net)	**18**	**(16,378)**	376,652
Total income		**214,057,695**	186,046,507
Expenses			
Employee benefits expense	**19**	**48,736,807**	44,544,604
Finance costs	**20**	**321,266**	414,843
Depreciation and amortization expense	**2**	**656,008**	708,041
Other expenses	**21**	**166,483,744**	134,831,235
Total expenses		**216,197,825**	180,498,723
Profit before tax		**(2,140,130)**	5,547,784
Tax expense			
Current tax		**(599,060)**	1,294,624
Deferred tax (benefit)/charge		**(1,044,010)**	(618,147)
Total tax expense		**(1,643,070)**	676,477
Profit for the year		**(497,060)**	4,871,307

Significant accounting policies	**1**
Notes referred to above form an integral part of the financial statements	**2-24**

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Solutions Inc.

Statement of changes in equity

for the year ended 31 March 2023

(Amount in USD)

A	**Equity share capital**	**Amount**
	Balance as at 01 April 2021	**55,709,854**
	Changes in equity share capital during 2021-22	-
	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**

B Other equity

	Reserves & surplus			Total
	Capital Reserve	**General reserve**	**Retained earnings**	
Balance as at 01 April 2021	**31,780**	**(33,965,293)**	**52,306,478**	**18,372,965**
Profit for the year	-	-	4,871,307	**4,871,307**
Balance as at 01 April 2022	**31,780**	**(33,965,293)**	**57,177,785**	**23,244,272**
Profit for the year	-	-	(497,060)	**(497,060)**
Balance as on 31 March 2023	**31,780**	**(33,965,293)**	**56,680,725**	**22,747,212**

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Solutions Inc.

Statement of Cash Flows

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss)/Profit for the year	**(497,060)**	4,871,307
	Adjustments for		
	Income tax expense	**(1,643,070)**	676,477
	(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	**35,962**	384
	Depreciation / Amortization	**656,008**	708,041
	Interest expense	**321,266**	414,843
	Interest income	**(47,114)**	(268,922)
	Provision for doubtful debts and advances (net)	**12,536,374**	175,932
	Bad debts written off	**227,348**	-
	Unrealised foreign exchange loss/(gain)	**28,740**	(5)
	Operating Profit before working capital changes	**11,618,454**	6,578,057
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	**(14,370,344)**	(17,349,134)
	Loans, other financials assets and other assets	**15,924,508**	12,400,143
	Trade Payables	**(3,634,412)**	14,950,008
	Other financial liabilities, other liabilities and provisions	**(3,820,220)**	(10,888,865)
	Cash generated from operations	**5,717,986**	5,690,209
	Income taxes paid	**(1,504,938)**	(759,110)
	Net cash generated from operating activities (A)	**4,213,048**	4,931,099
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	**(262,247)**	(419,854)
	Proceeds from sale of property, plant and equipment	**999**	10,002
	Purchase of investments	**-**	(2,476)
	Loan (given to)/repaid by related parties	**-**	222,673
	Interest received	**47,114**	268,922
	Net cash used in investing activities (B)	**(214,134)**	79,267
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of lease liabilities	**(413,361)**	(716,712)
	Loan taken from/(repaid to) related party	**-**	(8,000,000)
	Interest paid	**(269,505)**	(90,949)
	Net cash used in financing activities (C)	**(682,866)**	(8,807,661)
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**3,316,048**	(3,797,295)
	Cash and cash equivalents at end of the year (Refer note 1 below)	**11,019,855**	7,703,807
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	**7,703,807**	11,501,102
	Net Increase/ (decrease) in cash and cash equivalents	**3,316,048**	(3,797,295)

Note 1 :

Cash and cash equivalents include:

	31 March 2023	31 March 2022
Cheques in hand	**261,836**	38,068
Balance with banks		
- In current accounts	**5,408,690**	3,049,756
- In deposit accounts (with original maturity of 3 months or less)	**5,349,329**	4,615,983
Total Cash and cash equivalents	**11,019,855**	7,703,807

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.

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Company Overview

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

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

Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time
The financial statements are presented in US Dollars ("USD"), unless otherwise stated.

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

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1.2 Current–non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realized within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

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

Operating cycle

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

1.3 Revenue recognition

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.

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.

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.

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.

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.

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.

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)

for the year ended 31 March 2023

(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 2021	**1,871,018**	**110,817**	**516,344**	**183,008**	**2,681,187**
Additions	419,854	-	-	-	**419,854**
Disposal	-	-	33,179	-	**33,179**
Gross carrying amount as at 31 March 2022	**2,290,872**	**110,817**	**483,165**	**183,008**	**3,067,862**
Accumulated depreciation as at 1 April 2021	**1,546,501**	**91,188**	**405,973**	**161,366**	**2,205,028**
Depreciation for the year	196,224	9,641	21,809	13,358	**241,032**
Disposal	-	-	22,793	-	**22,793**
Accumulated depreciation as at 31 March 2022	**1,742,725**	**100,829**	**404,989**	**174,724**	**2,423,267**
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**
Carrying amount as at 31 March 2022	**548,147**	**9,988**	**78,176**	**8,284**	**644,595**
Carrying amount as at 31 March 2023	**580,062**	**6,426**	**26,020**	**-**	**612,508**

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 1 April 2021	**2,983,654**	**2,983,654**
Additions	-	**-**
Disposal	340,266	**340,266**
Gross carrying amount as at 31 March 2022	**2,643,388**	**2,643,388**
Accumulated depreciation as at 01 April 2021	**867,561**	**867,561**
Depreciation for the year	465,996	**465,996**
Disposal	340,266	**340,266**
Accumulated depreciation as at 31 March 2022	**993,291**	**993,291**
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	**2,436,886**	**2,436,886**
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**
Carrying amount as at 31 March 2022	**1,650,097**	**1,650,097**
Carrying amount as at 31 March 2023	**1,251,462**	**1,251,462**

2C Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2021	**250,363**	**645,955**	**896,318**
Additions	-	-	**-**
Disposal	-	-	**-**
Gross carrying amount as at 31 March 2022	**250,363**	**645,955**	**896,318**
Accumulated depreciation as at 1 April 2021	**249,477**	**645,828**	**895,305**
Depreciation for the year	886	127	**1,013**
Disposal	-	-	**-**
Accumulated depreciation as at 31 March 2022	**250,363**	**645,955**	**896,318**
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**
Carrying amount as at 31 March 2022	**-**	**-**	**-**
Carrying amount as at 31 March 2023	**-**	**-**	**-**

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
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
		39,571,308	39,571,308
4	**Deferred tax assets (net)**		
	Deferred tax assets		
	-Provision for doubtful debts and advances	**2,065,023**	188,802
	-Provision for compensated absences	**274,745**	258,989
	-Subcontractor payable	**108,083**	269,641
	-Accrued expenses	**238,879**	118,006
	-Accrued Payroll	**20,923**	19,644
	-Lease liabilities	**307,547**	533,385
	-Tax on loss	**2,281,171**	-
	-Others	-	807,520
		5,296,371	2,195,987
	Deferred tax liabilities		
	-Prepaid Expenses	**16,756**	17,739
	-Provision for depreciation	**115,363**	166,204
	-Interest payable	**-**	(38,422)
	-Provision for doubtful debts	**583943**	81,790
	-Right Of Use Assets	**262,807**	481,974
	-Contract Fulfillment cost	**204,226**	-
	-Others	**1,582,564**	-
		2,765,659	709,286
	Net deferred tax asset	**2,530,712**	1,486,702
5	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Prepaid expenses	**3,268**	11,493
	Contract Fulfillment Cost	**508,578**	636,243
		511,846	647,736

(Amount in USD)

		31 March 2023	31 March 2022
6	**Trade receivables**		
	(Unsecured)		
	Trade Receivables considered good	**49,576,002**	43,326,117
	Trade Receivables - credit impaired	**7,505,664**	646,386
		57,081,666	43,972,503
	Less: Allowances for bad and doubtful trade receivables	**7,505,664**	646,386
		49,576,002	43,326,117
7	**Cash and bank balances**		
	Cash and cash equivalents		
	- Cheques in hand	**261,836**	38,068
	Balances with banks		
	- In current accounts	**5,408,690**	3,049,756
	- In deposit accounts(with original maturity of 3 months or less)	**5,349,329**	4,615,983
		11,019,855	**7,703,807**
8	**Other current financial assets**		
	- Security deposits	**8,902**	13,151
	- Interest Accrued	**3,309**	-
		12,211	13,151
9	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Employee advances	**75,925**	80,129
	Advance to suppliers	**178,204**	7,772
	Contract assets -from fixed price contracts	**2,435,013**	23,973,717
	Prepaid expenses	**1,136,339**	99,427
	Contract Fulfillment Cost	**225,469**	1,141,552
	Balances with statutory authorities	**48,505**	-
	Others	**58,852**	40,465
		4,158,307	25,343,062

(Amount in USD)

		31 March 2023	31 March 2022
10	**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

(Amount in USD)

	31 March 2023	31 March 2022
11 Lease liabilities - non-current		
Lease liabilities	**1,033,031**	1,476,227
	1,033,031	1,476,227

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
12	**Trade payables**		
	Total outstanding dues of trade payables	**29,583,841**	33,189,205
		29,583,841	33,189,205
13	**Lease liabilities - current**		
	Lease liabilities	**431,478**	349,882
		431,478	349,882
14	**Other current financial liabilities**		
	Accrued employee costs	**2,757,845**	3,397,259
	Payable to related party	**770,860**	414,556
	Security deposits	**8,946**	8,946
		3,537,651	3,820,761
15	**Other current liabilities**		
	Unearned revenue	**451,291**	3,853,511
	Advances from customers	**524,581**	480,310
	Statutory remittances	**572,399**	1,249,943
		1,548,271	5,583,764
16	**Provisions - current**		
	Provision for employee benefits		
	- Compensated Absences	**1,501,913**	1,003,530
		1,501,913	1,003,530

Birlasoft Solutions Inc.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
17	**Revenue from operations**		
	Software services	**214,074,073**	185,669,855
		214,074,073	185,669,855
18	**Other income**		
	Interest income	**47,114**	268,922
	Foreign exchange gain (net)	**(68,195)**	106,385
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	**4,703**	1,345
		(16,378)	376,652

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
19	**Employee benefits expense**		
	Salaries, wages and incentives	**48,258,764**	44,381,303
	Share based compensation to employees	**370,509**	124,800
	Staff welfare expenses	**107,534**	38,501
		48,736,807	44,544,604
20	**Finance costs**		
	Interest expense	**269,505**	90,949
	Interest on lease liabilities	**51,761**	323,894
		321,266	414,843
21	**Other expenses**		
	Travel and overseas expenses (net)	**2,539,620**	1,445,722
	Cost of service delivery (net)	**125,574,636**	111,701,062
	Cost of professional sub-contracting (net)	**22,371,091**	19,014,910
	Recruitment and training expenses	**720,823**	288,783
	Power and fuel	**30,106**	38,960
	Rent	**50,475**	43,596
	Repairs and maintenance -		
	- plant and equipment	**22,793**	101,359
	- others	**-**	3,676
	Insurance	**171,088**	244,142
	Rates and taxes	**266,016**	323,787
	Communication expenses (net)	**158,838**	450,120
	Legal and professional fees	**1,323,763**	460,422
	Marketing expenses	**175,128**	108,037
	Printing & stationery	**4,313**	5,915
	Bad debts written off	**227,348**	-
	Provision for doubtful debts and advances (net)	**12,536,374**	175,932
	Loss on sale of property, plant and equipment and intangible assets (net)	**35,962**	384
	Miscellaneous expenses (net)	**275,370**	424,428
		166,483,744	134,831,235

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 2023

22 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.

B. Transactions with related parties

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (USD)	Balance as on 31 March 2023 Debit/(Credit) (USD)	Amount of transactions during the year (USD)	Balance as on 31 March 2022 Debit/(Credit) (USD)
1	**Birlasoft Limited, India**				
	Sale of Software Services	24,929	30,270	3,686	-
	Software service charges	98,204,699	(3,914,199)	79,466,039	(9,382,102)
	Advance taken (net)	(128,536)		(112,669)	
	Reimbursement of expenses (net)(including share based payment expense)	(400,246)	(48,891)	(151,570)	(103,059)
2	**Birlasoft Consulting Inc. USA**				
	Sale of Software Services	2,332,547	1,497,244	2,838,207	2,657,361
	Software service charges	3,150,482	(224,914)	6,707,462	(5,538,829)
	Investment in equity	-	38,098,832	-	38,098,832
	Advance received (net)	12,982	-	(241,753)	(35,359)
	Reimbursement of expenses (net)	-		(15,103)	
3	**Birlasoft Solutions Ltda**				
	Software service charges	1,350,804	(137,872)	1,390,035	-
	Interest Income	-	-	5,667	-
	Repayment of loan received	-	-	400,000	
	Investment in equity	-	1,470,000	-	1,470,000
4	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Loans Given	-	-	72,672	-
	Interest Income	-	-	212	
	Reimbursement of expenses (net)	-	-	5,000	5,000
	Software service charges	307,172	211,347	168,822	20,441
	Sale of Software Services	43,297	184,707	141,410	-
	Investment in equity	-	2,476	2,476	2,476
5	**Birlasoft Technologies Canada Corporation**				
	Advance received (net)	(89,025)	-	-	3,566
	Reimbursement of expenses	-		3,531	
	Sale of Software Services	361,444	26,513	703,393	203,628
	Software service charges	2,103,848	(3,512,274)	1,846,069	(1,421,883)
6	**Birlasoft Solutions France**				
	Sale of Software Services	24,182	24,862	565	-
	Software service charges	247,423	1,880,849	200,929	(200,929)

Birlasoft Solutions Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

22 Related party disclosures (continued)

B. Transactions with related parties (continued)

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (USD)	Balance as on 31 March 2023 Debit/(Credit) (USD)	Amount of transactions during the year (USD)	Balance as on 31 March 2022 Debit/(Credit) (USD)
7	**Birlasoft Computer Corporation**				
	Software service charges	7,750,050	(13,517,033)	7,995,983	(7,996,295)
	Sale of Software Services	2,978,988	5,905,083	4,642,933	2,926,095
	Advance received (net)	(444,411)	(7,368)	(170,922)	(54,684)
	Reimbursement of expenses (net)	-		(10,183)	
8	**Birlasoft Inc.**				
	Loan Received	-	-	800,000	-
	Interest expenses	-	-	131,542	
	Advance received (net)	(1,940,160)	(714,601)	(738,060)	(98,478)
	Reimbursement of expenses	(214,086)		(268,388)	
	Sale of Software Services	14,477,849	2,571,563	6,608,962	4,984,150
	Software service charges	6,534,486	(6,136,978)	2,998,897	(2,571,813)
9	**Birlasoft Solutions ME FZE. (Australia Branch)**				
	Software service charges	136,713	(15,527)	789,255	(24,803)
10	**Birlasoft Solutions GmbH**				
	Sale of Software Services	277,505	275,678	1,827	(1,827)
	Software service charges	96,563	(17)	100	(100)
11	**Birlasoft Solutions Limited,UK**				
	Software service charges	523,166	(87,614)	875,543	(631,411)
	Sale of Software Services	1,489,721	2,232,536	822,802	785,815
	Advance received (net)	-	-	23,696	-
	Repayment of loan received	-	-	9,857,832	-
	Interest Income	-	-	240,744	
12	**Birlasoft (UK) Limited**				
	Software service charges	253,534	(356,954)	121,804	(103,421)
	Sale of Software Services	507,337	713,910	206,519	206,573
13	**Birlasoft (UK) Limited, Netherland**				
	Software service charges	90,642	(15,458)	256,241	(169,079)
	Sale of Software Services	783	(5)	7,374	7,374
14	**Birlasoft Sdn. Bhd.**				
	Software service charges	28,183	(3,203)	-	-

23 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2023 (previous year 31 March 2022 - nil)

24 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 Inc.

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Consulting, Inc.

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

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2023.

Financial Results

Particulars	2022-23 USD (Million)	2021-22 USD (Million)
Total Income	18.16	26.46
Net Profit / (Loss) for the year	(1.48)	1.38

Operations

During the year under review, the total income of the Company has decreased by 31.33 % resulting in net loss of USD 1.48 million.

Board of Directors

During the year under review, Mr. Dharmander Kapoor resigned as the Director effective end of business hours of November 30, 2022 and Mr. Angan Guha was appointed as the Director of the Company effective December 6, 2022. Mr. Angan Guha and Mr. Roopinder Singh 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 Consulting, Inc.

Pune
May 8, 2023

Angan Guha
Director

Birlasoft Consulting Inc.

Balance Sheet

as at 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	**2A**	**10,548**	21,983
Other intangible assets	**2B**	**-**	-
Financial assets			
Investments	**3**	**51**	51
Other financial assets	**4**	**10,310**	10,310
Deferred tax assets (net)	**5**	**395,510**	785,197
		416,419	817,541
Current assets			
Financial assets			
Trade receivables			
Billed	**6**	**2,899,511**	10,571,120
Unbilled		**153,120**	644,272
Cash and cash equivalents	**7**	**2,196,062**	1,092,144
Other financial assets	**8**	**-**	35,359
Other current assets	**9**	**205,832**	146,372
		5,454,525	12,489,267
TOTAL ASSETS		**5,870,944**	13,306,808
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**10**	**5,105,200**	5,105,200
Other equity		**(4,211,518)**	(2,735,122)
Total equity		**893,682**	2,370,078
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	**11**	**2,955,248**	8,864,859
Other financial liabilities	**12**	**638,601**	401,782
Other current liabilities	**13**	**300,797**	539,597
Provisions	**14**	**257,010**	305,037
Income tax liabilities (net)		**825,606**	825,455
		4,977,262	10,936,730
TOTAL EQUITY AND LIABILITIES		**5,870,944**	13,306,808
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-22**		

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Consulting Inc.

Statement of Profit and Loss

for the year ended 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
Revenue from operations	**15**	**18,167,495**	26,464,882
Other income (net)	**16**	**2,484**	4,519
Total income		**18,169,979**	26,469,401
Expenses			
Employee benefits expense	**17**	**8,498,754**	10,454,285
Finance costs	**18**	**-**	17
Depreciation and amortization expense	**2**	**10,502**	17,921
Other expenses	**19**	**10,746,871**	14,454,938
Total expenses		**19,256,127**	24,927,161
Profit before tax		**(1,086,148)**	**1,542,240**
Tax expense			
Current tax		**561**	298
Deferred tax (benefit)/charge		**389,687**	161,470
Total tax expense		**390,248**	161,768
Profit for the year		**(1,476,396)**	1,380,472
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-22**		

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Consulting Inc.
Statement of changes in equity
for the year ended 31 March 2023

(Amount in USD)

A Equity share capital

	Amount
Balance as at 1 April 2021	**5,105,200**
Changes in equity share capital during 2021-22	-
Balance as at 1 April 2022	**5,105,200**
Changes in equity share capital during 2022-23	**-**
Balance as at 31 March 2023	**5,105,200**

B Other equity

	Retained earnings	Total
Balance as on 1 April 2021	**(4,115,594)**	**(4,115,594)**
Profit for the year	1,380,472	**1,380,472**
Balance as on 1 April 2022	**(2,735,122)**	**(2,735,122)**
Profit for the year	(1,476,396)	**(1,476,396)**
Balance as on 31 March 2023	**(4,211,518)**	**(4,211,518)**

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Consulting Inc.

Statement of Cash Flows

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss)/ Profit for the year	**(1,476,396)**	1,380,472
	Adjustments for		
	Income tax expense	**390,248**	161,768
	(Profit)/Loss on sale of property, plant and equipment and intangible assets (net)	**933**	-
	Depreciation / Amortization	**10,502**	17,921
	Interest expense	-	17
	Provision for doubtful debts and advances (net)	**(1,778,764)**	(113,558)
	Bad debts written off	**1,784,122**	-
	Unrealised foreign exchange loss/(gain)	**(187)**	463
	Operating Profit before working capital changes	**(1,069,542)**	1,447,083
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	**8,156,656**	(4,122,702)
	Loans, other financials assets and other assets	**(24,101)**	388,797
	Trade Payables	**(5,908,677)**	3,361,483
	Other financial liabilities, other liabilities and provisions	**(50,008)**	(1,649,384)
	Cash generated from operations	**1,104,328**	(574,723)
	Income taxes paid	**(410)**	42,561
	Net cash generated from operating activities (A)	**1,103,918**	(532,162)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	-	200
	Purchase of investments	-	(51)
	Net cash used in investing activities (B)	-	149
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	-	(17)
	Net cash used in financing activities (C)	-	(17)
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**1,103,918**	(532,030)
	Cash and cash equivalents at end of the year (Refer note 1 below)	**2,196,062**	1,092,144
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	**1,092,144**	1,624,174
	Net Increase/ (decrease) in cash and cash equivalents	**1,103,918**	(532,030)
	Note 1 :		
	Cash and cash equivalents include:		
	Balance with banks		
	- In current accounts	**2,196,062**	1,092,144
	Total Cash and cash equivalents	**2,196,062**	1,092,144
	Cash and cash equivalents at the end of the year	**2,196,062**	1,092,144

Note 2:
Figures in brackets represent outflows of cash and cash equivalents.

Note 3:
The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind-AS) 7 on statement of cash flows.

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Consulting Inc.

Notes forming part of the financial statements

for the year ended 31 March 2023

Company Overview:

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

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

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.
The financial statements are presented in US Dollar ("USD"),unless otherwise stated.

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

1.2 Current-non current classification

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

Assets

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

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

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

Liability

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

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

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

Operating cycle

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

1.3 Revenue recognition:

The 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.

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.

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 (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.

1.7 Impairment (continued)

b. Non- financial assets (continued)

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

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.

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.

(Amount in USD)

2A Property, plant and equipment

	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2021	**32,643**	**377,515**	**125,393**	**752,308**	**1,287,859**
Additions	-	79	-	-	79
Disposal	-	-	-	-	-
Gross carrying amount as at 31 March 2022	**32,643**	**377,594**	**125,393**	**752,308**	**1,287,938**
Accumulated depreciation as at 1 April 2021	**32,643**	**376,669**	**123,874**	**714,848**	**1,248,034**
Depreciation	-	540	462	16,919	17,921
Disposal	-	-	-	-	-
Accumulated depreciation as at 31 March 2022	**32,643**	**377,209**	**124,336**	**731,767**	**1,265,955**
Gross carrying amount as at 1 April 2022	**32,643**	**377,594**	**125,393**	**752,308**	**1,287,938**
Additions	-	-	-	-	-
Disposal	32,643	-	125,393	-	158,036
Gross carrying amount as at 31 March 2023	**-**	**377,594**	**-**	**752,308**	**1,129,902**
Accumulated depreciation as at 1 April 2022	**32,643**	**377,209**	**124,336**	**731,767**	**1,265,955**
Depreciation	-	208	124	10,170	10,502
Disposal	32,643	-	124,460	-	157,103
Accumulated depreciation as at 31 March 2023	**-**	**377,417**	**-**	**741,937**	**1,119,354**
Carrying amount as at 31 March 2022	**-**	**385**	**1,057**	**20,541**	**21,983**
Carrying amount as at 31 March 2023	**-**	**177**	**-**	**10,371**	**10,548**

2B Other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2021	**3,729,757**	**215,385**	**3,945,142**
Additions	-	-	-
Disposal	-	-	-
Gross carrying amount as at 31 March 2022	**3,729,757**	**215,385**	**3,945,142**
Accumulated depreciation as at 01 April 2021	**3,729,757**	**215,385**	**3,945,142**
Depreciation	-	-	**-**
Disposal	-	-	-
Accumulated depreciation as at 31 March 2022	**3,729,757**	**215,385**	**3,945,142**
Gross carrying amount as at 1 April 2022	**3,729,757**	**215,385**	**3,945,142**
Additions	-	-	-
Disposal	3,729,757	215,385	3,945,142
Gross carrying amount as at 31 March 2023	**-**	**-**	**-**
Accumulated depreciation as at 1 April 2022	**3,729,757**	**215,385**	**3,945,142**
Depreciation	-	-	-
Disposal	3,729,757	215,385	3,945,142
Accumulated depreciation as at 31 March 2023	**-**	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**	**-**
Carrying amount as at 31 March 2023	**-**	**-**	**-**

Birlasoft Consulting Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
3	**Non-Current investments**		
	Investments in Mexico		
	1 (Previous Year 1) Share of the common stock with value of 1000 MXP	**51**	51
		51	51
4	**Other financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	Security deposits	**10,310**	10,310
		10,310	10,310
5	**Deferred tax assets (net)**		
	Deferred tax assets		
	-Provision for doubtful debts and advances	**373**	522,861
	-Provision for compensated absences	**48,617**	63,344
	-Accrued Payroll	**15,718**	12,970
	-Excess of depreciation/amortisation on property, plant and equipment provided in books over depreciation/amortisation as under income-tax law.	**215,840**	260,271
	-Accrued expenses	**2,400**	1,117
	-Others (mainly includes employee related provision)	**112,949**	69,850
		395,897	930,413
	Deferred tax liabilities		
	-Prepaid Expenses	**14**	1,118
	-Provision for doubtful debts	**373**	144,098
		387	145,216
	Net deferred tax asset	**395,510**	785,197

Birlasoft Consulting Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
6	**Trade receivables**		
	(Unsecured)		
	Trade Receivables considered good	**2,899,511**	10,571,120
	Trade Receivables - credit impaired	**-**	1,778,764
		2,899,511	12,349,884
	Less: Allowances for bad and doubtful trade receivables	**-**	1,778,764
		2,899,511	10,571,120
7	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks		
	- In current accounts	**2,196,062**	1,092,144
		2,196,062	1,092,144
8	**Other current financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	Other receivables from related party	**-**	35,359
		-	**35,359**
9	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Employee advances	**4,400**	1,691
	Advance to suppliers	**10,556**	499
	Prepaid expenses	**-**	5,250
	Contract Fulfillment Cost	**65**	-
	Balances with statutory authorities	**80,895**	82,725
	Others	**109,916**	56,207
		205,832	146,372

(Amount in USD)

	31 March 2023	31 March 2022
10 Equity share capital		
Authorised:		
1000 Shares common stock without par value		
Issued subscribed and fully paid up:		
1000 (Previous year 1000) Shares of the common stock without par value fully paid	**5,105,200**	5,105,200
	5,105,200	5,105,200

Birlasoft Consulting Inc.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
11	**Trade payables**		
	Total outstanding dues of trade payables	**2,955,248**	8,864,859
		2,955,248	8,864,859
12	**Other current financial liabilities**		
	Accrued employee costs	**610,635**	380,954
	Payable to related party	**27,966**	20,828
		638,601	401,782
13	**Other current liabilities**		
	Unearned revenue	**-**	22,680
	Advances from customers	**86,312**	81,272
	Statutory remittances	**214,485**	435,645
		300,797	539,597
14	**Provisions - current**		
	Provision for employee benefits		
	- Compensated Absences	**257,010**	305,037
		257,010	305,037

Birlasoft Consulting Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
15	**Revenue from operations**		
	Software services	**18,167,495**	26,464,882
		18,167,495	26,464,882
16	**Other income**		
	Foreign exchange gain (net)	**2,484**	4,440
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	**-**	79
		2,484	4,519

Birlasoft Consulting Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
17	**Employee benefits expense**		
	Salaries, wages and incentives	**8,469,359**	10,422,138
	Share based compensation to employees	**16,298**	19,605
	Staff welfare expenses	**13,097**	12,542
		8,498,754	10,454,285
18	**Finance costs**		
	Interest expense	**-**	17
		-	17
19	**Other expenses**		
	Travel and overseas expenses (net)	**140,382**	72,086
	Cost of service delivery (net)	**9,281,159**	9,988,263
	Cost of professional sub-contracting (net)	**1,158,818**	4,329,761
	Rent	**3,763**	3,349
	Repairs and maintenance -		
	- plant and equipment	**1,853**	2,105
	Rates and taxes	**12,007**	6,102
	Communication expenses (net)	**(8,267)**	41,772
	Legal and professional fees	**146,268**	119,522
	Bad debts written off	**1,784,122**	-
	Provision for doubtful debts and advances (net)	**(1,778,764)**	(113,558)
	Loss on sale of property, plant and equipment and intangible assets (net)	**933**	-
	Miscellaneous expenses (net)	**4,597**	5,536
		10,746,871	14,454,938

Note

Certain expenses are net of recoveries/reimbursements from customers.

Birlasoft Consulting Inc.

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

for the year ended 31 March 2023

20 Related party transactions:

A. Relationship with parent, subsidiaries and fellow subsidiaries

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

B. Transactions with related parties

Sr. no.	**Name of the related party**	**Amount of transaction 2022-23 (USD)**	**Balance as at 31 March 2023 (USD)**	**Amount of transaction 2021-22 (USD)**	**Balance as at 31 March 2022 (USD)**
1	**Birlasoft Limited, India**				
	Software service charges	**6,594,679**	**(600,472)**	6,763,017	(5,374,974)
	Sale of software services	**735**	**(18,162)**	1,482	1,482
	Advance received (net)	**(8,000)**	**(4,072)**	(15,159)	(12,959)
	Reimbursement of expenses	**(19,516)**		(20,528)	
2	**Birlasoft Solutions Inc.**				
	Sale of software services	**3,150,482**	**224,914**	6,707,462	5,538,829
	Software service charges	**2,332,547**	**(1,497,244)**	2,838,207	(2,657,361)
	Advance received (net)	**(12,982)**	**-**	241,753	35,359
	Reimbursement of expenses	-		15,103	
3	**Birlasoft Technologies Canada Corporation**				
	Software service charges	**169,714**	**(8,793)**	203,559	(131,940)
	Sale of software services	**144,237**	**32,648**	144,177	87,696
4	**Birlasoft Computer Corporation, USA**				
	Reimbursement of expenses	-	**1,182**	-	-
	Advance received (net)	**15,792**		-	
	Sale of software services	**394,056**	**77,656**	677,113	398,542
	Software service charges	**4,341**	**(7,449)**	3,108	(3,108)
5	**Birlasoft Inc, USA**				
	Software service charges	**420,449**	**(771,194)**	530,258	(350,745)
	Sale of software services	**872,403**	**73,718**	656,518	473,567
	Advance received (net)	**(215,986)**	**(22,712)**	(143,024)	(7,869)
	Reimbursement of expenses	**(67,386)**		(57,281)	
6	**Birlasoft Solutions Limited, UK**				
	Software service charges	**38,689**	**-**	10,887	(10,887)
7	**Birlasoft Solutions GmbH**				
	Sale of software services	**-**	**92,945**	176,443	92,945
8	**Birlasoft Solutions France**				
	Sale of software services	-	-	3,266	2,583
9	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Software service charges	-	-	198	(217)
	Sale of software services	**4,108**	**4,108**	-	-
	Investment in Mexico	**-**	**51**	51	51
10	**Birlasoft Sdn Bhd**				
	Sale of software services	**-**	**-**	-	(1,628)

21 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2023 (previous year 31 March 2022 - Nil)

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

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

Place - Pune
Date - 08 May 2023

Angan Guha
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, 2023.

Financial Results

Particulars	**2022-23 MXN (Million)**	**2021-22 MXN (Million)**
Total Income	22.17	20.02
Net Profit / (Loss) for the year	(7.61)	(2.64)

Operations

During the year under review, total income of the Company has increased but increase in employee benefit expenses resulted in net loss of MXN 7.61 million.

Board of Directors

During the year under review, Mr. Dharmander Kapoor resigned as the Director effective end of business hours of November 30, 2022 and Mr. Angan Guha was appointed as the Director of the Company effective December 1, 2022. Mr. Angan Guha and Mr. Roopinder Singh 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 Mexico S.A. DE C.V

Pune
May 8, 2023

Angan Guha
Director

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

Balance Sheet

as at 31 March 2023

(Currency MXN)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Income tax assets (net)		**813,728**	813,728
		813,728	813,728
Current assets			
Financial assets			
Trade receivables			
Billed	**2**	**3,940,241**	4,083,005
Unbilled		**554,165**	446,876
Cash and cash equivalents	**3**	**1,697,416**	6,250,033
Other financial assets	**4**	**240,000**	240,000
Other current assets	**5**	**55,172**	648
		6,486,994	11,020,562
TOTAL ASSETS		**7,300,722**	11,834,290
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**6**	**50,000**	50,000
Other equity		**(9,308,699)**	(1,698,182)
Total equity		**(9,258,699)**	(1,648,182)
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	**7**	**13,091,634**	8,008,602
Other financial liabilities	**8**	**-**	144,808
Other current liabilities	**9**	**2,726,137**	4,515,334
Income tax liabilities (net)		**741,650**	813,728
		16,559,421	13,482,472
TOTAL EQUITY AND LIABILITIES		**7,300,722**	11,834,290
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-17**		

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

Angan Guha	**Roopinder Singh**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

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

Statement of Profit and Loss

for the year ended 31 March 2023

(Currency MXN)

	Note	31 March 2023	31 March 2022
Revenue from operations	**10**	**22,518,906**	20,546,693
Other income (net)	**11**	**(350,033)**	(531,054)
Total income		**22,168,873**	20,015,639
Expenses			
Employee benefits expense	**12**	**14,991,042**	7,196,672
Finance costs	**13**	**6,913**	5,089
Other expenses	**14**	**14,213,339**	15,335,493
Total expenses		**29,211,294**	22,537,254
Profit before tax		**(7,042,421)**	**(2,521,615)**
Tax expense			
Current tax		**568,096**	115,876
Total tax expense		**568,096**	115,876
Profit for the year		**(7,610,517)**	(2,637,491)
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-17**		

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

Angan Guha	**Roopinder Singh**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

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

Statement of Cash Flows

for the year ended 31 March 2023

(Currency MXN)

		31 March 2023	31 March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss for the year	**(7,610,517)**	(2,637,491)
	Adjustments for		
	Income tax expense	**568,096**	115,876
	Interest expense	**6,913**	-
	Provision for doubtful debts and advances (net)	**(574,190)**	-
	Unrealised foreign exchange loss/(gain)	**536,222**	-
	Operating Profit before working capital changes	**(7,073,476)**	(2,516,526)
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	**619,765**	8,432,973
	Loans, other financials assets and other assets	**(54,524)**	(240,648)
	Trade Payables	**4,536,710**	(756,043)
	Other financial liabilities, other liabilities and provisions	**(1,934,005)**	1,507,471
	Cash generated from operations	**(3,905,530)**	6,427,227
	Income taxes paid	**(640,174)**	(813,728)
	Net cash generated from operating activities (A)	**(4,545,704)**	5,613,499
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net cash used in investing activities (B)	**-**	-
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Share Capital and Application money	**-**	50,000
	Loan taken from/(repaid to) related party	**-**	(1,484,594)
	Interest paid	**(6,913)**	(5,089)
	Net cash used in financing activities (C)	**(6,913)**	(1,439,683)
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**(4,552,617)**	4,173,816
	Cash and cash equivalents at end of the year (Refer note 1 below)	**1,697,416**	6,250,033
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	**6,250,033**	2,076,217
	Net Increase/ (decrease) in cash and cash equivalents	**(4,552,617)**	4,173,816
	Note 1 :		
	Cash and cash equivalents include:		
	Balance with banks		
	- In current accounts	**1,697,416**	6,250,033
	Total Cash and cash equivalents	**1,697,416**	6,250,033

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	**Roopinder Singh**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

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

Statement of changes in equity

for the year ended 31 March 2023

(Currency MXN)

A	**Equity share capital**	**Amount**
	Balance as at 01 April 2021	-
	Changes in equity share capital during 2021-22	50,000
	Balance as at 01 April 2022	**50,000**
	Changes in equity share capital during 2022-23	-
	Balance as at 31 March 2023	**50,000**

B Other equity

	Retained earnings	Total
Balance as at 01 April 2021	**939,309**	**939,309**
Profit for the year	(2,637,491)	**(2,637,491)**
Balance as at 01 April 2022	**(1,698,182)**	**(1,698,182)**
Profit for the year	(7,610,517)	**(7,610,517)**
Balance as on 31 March 2023	**(9,308,699)**	**(9,308,699)**

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

Angan Guha	**Roopinder Singh**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

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

Notes forming part of the financial statements

for the year ended 31 March 2023

1. Company Overview:

Birlasoft Solutions Mexico , S.A. DE C.V. ("the Company") is a Company incorporated in Mexico City on Ocober 25, 2018. The Company is a wholly owned subsidiary of Birlasoft Solutions Inc. The ultimate holding company is Birlasoft Limited, India.

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

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.
The financial statements are presented in Mexican peso (“MXN”) and are rounded off to nearest MXN.

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

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.

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.

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.

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.

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.

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)

for the year ended 31 March 2023

(Currency MXN)

		31 March 2023	31 March 2022
2	**Trade receivables**		
	(Unsecured)		
	Trade Receivables considered good	**3,940,241**	4,083,005
	Trade Receivables - credit impaired	**915,619**	-
		4,855,860	4,083,005
	Less: Allowances for bad and doubtful trade receivables	**915,619**	-
		3,940,241	4,083,005
3	**Cash and bank balances**		
	Balances with banks		
	- In current accounts	**1,697,416**	6,250,033
		1,697,416	**6,250,033**
4	**Other current financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	- Security deposits	**240,000**	240,000
		240,000	240,000
5	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Employee advances	**8,472**	-
	Advance to suppliers	**-**	648
	Prepaid expenses	**46,700**	-
		55,172	648

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

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Currency MXN)

	31 March 2023	31 March 2022
6 Equity share capital		
Issued subscribed and fully paid up:		
50 Fixed Capital stock with value of $ 1000 MXP	**50,000**	50,000
	50,000	50,000

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

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Currency MXN)

		31 March 2023	31 March 2022
7	**Trade payables**		
	Total outstanding dues of trade payables	**13,091,634**	8,008,602
		13,091,634	8,008,602
8	**Other current financial liabilities**		
	Accrued employee costs	-	45,603
	Payable to related party	-	99,205
		-	144,808
9	**Other current liabilities**		
	Unearned revenue	**341,417**	3,545,031
	Statutory remittances	**2,384,720**	970,303
		2,726,137	4,515,334

Birlasoft Solutions Mexico S.A. DE C.V.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Currency MXN)

		31 March 2023	31 March 2022
10	**Revenue from operations**		
	Software services	**22,518,906**	20,546,693
		22,518,906	20,546,693
11	**Other income**		
	Foreign exchange gain (net)	**(350,033)**	(531,054)
		(350,033)	(531,054)

(Currency MXN)

		31 March 2023	31 March 2022
12	**Employee benefits expense**		
	Salaries, wages and incentives	**14,987,426**	7,196,672
	Staff welfare expenses	**3,616**	-
		14,991,042	7,196,672
13	**Finance costs**		
	Interest expense	**6,913**	5,089
		6,913	5,089
14	**Other expenses**		
	Travel and overseas expenses (net)	**124,046**	116,651
	Cost of service delivery (net)	**8,720,009**	11,240,289
	Cost of professional sub-contracting (net)	**115,705**	-
	Recruitment and training expenses	**736,641**	323,601
	Rent	**1,440,000**	69,677
	Insurance	**46,700**	-
	Rates and taxes	**71,715**	135,497
	Communication expenses (net)	**2,307**	-
	Legal and professional fees	**3,450,606**	3,434,397
	Marketing expenses	**60,900**	-
	Provision for doubtful debts and advances (net)	**(574,190)**	-
	Miscellaneous expenses (net)	**18,900**	15,381
		14,213,339	15,335,493

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 2023

15 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

B. Transactions with related parties

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (MXN)	Balance as on 31 March 2023 Debit/(Credit) (MXN)	Amount of transactions during the year (MXN)	Balance as on 31 March 2022 Debit/(Credit) (MXN)
1	**Birlasoft Limited, India**				
	Sale of Software Services	-	2,055	2,055	-
	Software service charges	6,681,144	(4,902,996)	5,719,284	-
	Advance taken (net)	(98,671)	-	-	-
2	**Birlasoft Computer Corporation, USA**				
	Software service charges	-	(2,474,382)	2,474,382	-
	Sale of Software Services	7,434	-	611,625	693,016
3	**Birlasoft Solutions Inc.**				
	Loan taken	-	-	1,541,086	-
	Interest payable	-	-	5,089	-
	Software service charges	832,640	(3,790,555)	2,957,915	-
	Sale of Software Services	5,969,358	(4,073,400)	3,290,356	(406,171)
	Reimbursement of expenses (net)	-	-	(102,655)	(99,205)
4	**Birlasoft Consulting Inc**				
	Sale of Software Services	-	-	4,109	4,496
	Software service charges	81,104	(81,104)	-	-
5	**Birlasoft Inc**				
	Software service charges	373,168	(373,168)	46,402	(46,402)
	Sale of Software Services	5,471,028	1,021,225	1,649,162	1,872,422
6	**Birlasoft Technologies Canada Corporation**				
	Sale of Software Services	-	2,055	2,055	2,055
	Software service charges	1,119,940	(1,487,621)	367,681	(367,681)
7	**Birlasoft Solutions Limited**				
	Sale of Software Services	59,850	-	75,583	-
8	**Birlasoft (UK) Limited**				
	Sale of Software Services	360,712	235,674	71,761	71,761

16 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2023 (previous year 31 March 2022 - nil)

17 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

Place - Pune
Date - 08 May 2023

Roopinder Singh
Director

Place - New Jersey
Date - 08 May 2023

Birlasoft Solutions Ltda.

Registered Office: Alameda Santos, 1165 – 10ª andar – Cerqueira Cesar 01419-002 – São Paulo/SP- Brasil

Board's Report

Dear Members,

Your Directors are pleased to present herewith the report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2023.

Financial Results

Particulars	**2022-23 R$ (Million)**	**2021-22 R$ (Million)**
Net Revenue	48.72	28.83
Profit for the year	8.66	3.63

Operations

During the year under review, total revenue of the Company increased by 69.03% which resulted in net profit of R$ 8.66 million.

Board of Directors

During the year under review, Mr. Dharmander Kapoor resigned as the Director effective end of business hours of November 30, 2022 and Mr. Angan Guha & Ms. Marcia Sato were appointed as the Directors of the Company effective December 6, 2022. Mr. Angan Guha, Mr. Roopinder Singh, Ms. Marcia Sato and Mr. Josney Ferraz are the Directors of the Company.

Audit

The Company appointed Actual Contabilidade S/S. as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

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

New York
April 10, 2023

Angan Guha
Director

BIRLASOFT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Review Report of Financial Statements
Years Ended March 31, 2023 and 2022

BIRLASOFT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Financial Statements
Years Ended March 31, 2023 and 2022

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REVIEW REPORT OF FINANCIAL STATEMENTS

(Convenience Translation into English from the Original Previously Issued in Portuguese)

To
The Management of
Birlasoft Solutions Ltda.
São Paulo - SP

Qualified opinion

We reviewed the financial statements of Birlasoft Solutions Ltda. ("Company") comprising the balance sheet on March 31st, 2023 and respective income statements, changes in shareholders' equity, and cash flow for the year ended on such date, as well as the summary of the main accounting policies and explanatory notes, comprising the significant accounting practices and other clarifying information.

Based on our review, except for the matter described in the "Base for conclusion for qualified opinion", we are not aware of any fact that let us to believe that the financial statements do not present accordingly, in all material matters, the financial position of Birlasoft Solutions Ltda., on March 31, 2023, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil and international financial report standards (IFRS) issued by *International Accounting Standards Board (IASB)*.

Base for conclusion for qualified opinion

The Company has continued to adopt, under human resources policy, hiring legal entities as services providers to develop technical activities without any formal employment under Brazilian labor laws. The performance of occasional initiatives by people linked to these service providers possibly, with such characteristics, can result in potential labor contingency.

Our review was carried out according to Brazilian and International audit standards. Our responsibilities, in accordance with such standards, are described in the following section titled "Auditor's responsibility for the audit of the financial statements". We are independent in relation to the Company in accordance with the relevant ethical principles set out in the Code of Ethics of Professional Accountants and professional standards issued by the Federal Accounting Council and have complied with other ethical responsibilities according to these standards.

We believe the evidence obtained by audit is enough and proper to establish the grounds for our qualified opinion.

Management's liability on the financial statements

Company's management is liable for preparing and submitting the financial statements according to the accounting practices adopted in Brazil according to the international standards for financial report (IRFS) issued by *International Accounting Standards Board* – (IASB) and the internal control determined as necessary to allow preparing such financial statements free from relevant misstatement irrespective if caused by fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue operational, disclosing, as applicable, issues related to its operational continuity and using the this accounting basis in the preparation of the financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid closing the operations.

Auditor's responsibility for the audit of the financial statements

Our goals are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with Brazilian and international standards will always detect a material misstatement when it exists. Misstatements should arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit carried out in accordance with Brazilian and International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the relevant risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Understand internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going operational accounting basis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability for operational continuity of Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report, however, adverse events or future conditions may eventually cause the Company to no longer remain in operational continuity.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the correspondent transactions and events in a manner compatible with proper presentation.
- Audit evidence was obtained, suitable and sufficient, regarding financial information to express an opinion on the financial statements. We are responsible for the guidance, supervision and performance of the audit and, consequently, for the audit opinion.

We communicate with the responsible for governance regarding, among other issues, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

São Paulo, April 10, 2023

Actual Contabilidade S.S.
CRC-SP – 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira
Accountant CRC – 1SP309141/O-1

BIRLASOFT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Notes to the Financial Statements

Years Ended March 31, 2023 and 2022

(In Brazilian reais without cents)

1 - Operational context

The Company's activities include basically the consulting and advisory services in types and configurations, as well as installation project developments related to the products sold, the sale of computer programs, software and applications, as well the consulting services in the information technology area and participation in other companies.

2 - Presentation of the Financial Statements

a. Statement of compliance with IFRS and BRGAAP standards

Financial Statements have been prepared according to the accounting practices adopted in Brazil which encompasses the Business Corporations Laws, and Pronouncing, Guidance And Interpretation issued by Accounting Pronouncing Committee - CPC and in accordance with international financial reporting standards (International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB) and evidence all relevant information specific to the financial statements, and only this information corresponds to that used by management in its management.

On April 10th, 2023, The Administration of Company authorized the conclusion of such financial statements.

b. Measurement base

The financial statements have been prepared based on the historic cost except the following material items recognized in the balance sheet:

- Non-derivative financial Instruments designated at fair value by means of the results are measured at fair value.
- The financial assets available for sale are measured by the fair value.

c. Functional Currency and presentation currency

The items included in the financial statements have been measured by adopting the currency of the economic environment in which the Company operates (functional currency). The financial statements are showed in Brazilian *Reais*, which is the Company's functional currency.

d. Estimates use and judgment

The preparation of the financial statements according to the accounting practices adopted in Brazil requires the use of the judgments, estimates, and suppositions by The Administration of Company affecting the accounting policies use and reported values of the assets, liabilities, incomes and expenses. The actual results might differ from the estimates.

The estimates and assumptions are reviewed annually by The Administration of Company. The changes are recognized in the financial year in which such estimates are reviewed and in future years affected.

Since of January 2023, the company adopted as a basis for recognizing its revenues the proportional realization of costs

3 - Main Accounting Practices

a. Financial instruments

The Company's non-derivative financial assets and liability are classified under the following categories:

i. Non-Derivative financial assets

Company recognizes the loans and receivables and deposits firstly on the origin date. All other financial assets (including assets designated by fair value through the results) are recognized firstly on the negotiation date when the Company becomes a party in the contractual provisions of the instrument. The Company classifies the non-derivative financial assets in the following categories: financial assets measured at fair value through the income and receivables.

ii. Receivables

Receivables are financial assets with fixed or determined payments, which are not offered in the active market. Such assets are recognized firstly at the fair value added from any attributed cost of the transactions. After the initial recognition, the loans and receivables are measured by the amortized cost using the actual interest method, reduced from the loss due to the reduction on the recoverable amount.

Receivables encompass the cash and cash equivalent, accounts receivables from customers and other receivables.

iii. Cash and cash equivalents

Include cash, bank sight deposits and temporary short term investments up to 90 days from the date of investment or deemed of immediate liquidity or convertible into known amount of cash, which are subject to an insignificant risk of change in value and are recorded by the cost values added by the income earned up to the balance sheets dates and do not exceed its market or performance value.

iv. Non-derivative financial liabilities

Firstly, Company recognizes the debt instruments issued on the date they are originated. All other financial liabilities are recognized firstly on the negotiation date when Company becomes a party in the contractual provisions of the instrument. Company writes off the financial liability when the contractual obligations are withdrew, canceled or overdue.

Such financial liabilities are recognized first by fair value deducted by any cost of the related transactions. After the initial recognition, such financial liabilities are measured by the amortized cost using the actual interest method, as applicable, in order to reflect the costs incurred up to the balance sheet date.

The Non-derivative financial liabilities of the Company refer basically to imports payable to holding added by exchange rate variation incurred up to the balance sheet date, suppliers and other accounts payable showed by known values or to be determined, updated by monetary adjustment index and interest, as applicable, to reflect the costs incurred up to the balance sheet date.

b. Fixed Assets

Acknowledgement and measurement: Fixed assets are measured by acquisition historic cost, deducting the accrued depreciation and losses from the reduction to recoverable amount (impairment) as required. The fixed assets costs include the expenses directly attributable to the assets acquisition. Other expenses are capitalized only when there is an increase in the economic benefits of the fixed assets item. Any other expense, when incurred, is recognized in results as expense. Gains and losses in the fixed assets disposal determined by comparing the resources from disposal and fixed assets accounting value are recognized as net in other incomes in the results.

Depreciation: The depreciation is computed by the straight-line method, at rates deemed compatible with the useful life.

c. Reduction on the assets recoverable amount

Non-derivative Financial Assets (including receivables)
The financial assets are evaluated at each submission date if it is not measured by fair value in order to determine any objective evidence of loss in the recoverable value. The assets has the loss in recoverable value if there is objective evidence of loss resulting from one or more events taking place after the assets initial recognition, and such loss event had a negative effect on the future cash flows forecast which should be estimated reliably.

The objective evidence of the financial assets lost value should include the debtor default or delay in payment, the renegotiation of the amount payable to the Company under conditions that The Company should not accept on other transactions, indications the debtor or issuer should be bankrupted or the end of the active market for the securities.

d. Provisions

A provision is recognized in respect to the past event, if the Company legal or constructive obligation could be estimated reliably and is likely to be an economic resource required to settle the obligation. The provisions are determined by means of deduction to cash flow expected at a rate before taxes reflecting the evaluations by current market regarding the value of money in time and the specific risks to the liability.

Company supported by legal opinion by its legal advisors and Management represents to have no knowledge of tax, civil and labor proceedings affecting materially its business, in addition to those already reflected in the financial statements on March 31st, 2023.

e. Operating Income

The operating income from sale in the regular course of the activities is measured by the fair value of the consideration received or to be received, net of returns, commercial discounts and bonuses. The operating income is recognized according to the service invoice is issuance, based on the technical working hours approved by customers. Certain service provision contracts provide for the delivery of services and / or contractual rights that are provided at different times during the term of the contracts, which require, under the terms established in CPC 47 (IFRS 15), that Management make an analysis with relation to the portion of revenue related to each stage of the contract for its proper recognition.

f. Operational costs

The cost of services in the markets in which the Company operates is mainly represented by the cost of productive hours worked at the rate paid to the technicians, billable and non-billable to customers, the cost of hours spent in any rework (guarantees).

g. Financial income and financial expenses

The financial income comprises interest income on investments, discounts obtained and yields from instruments classified as cash equivalents. The interest income is recognized in the results, by means of the effective interest method.

The financial expenses comprise interest expense on contractual expenses, bank charges, losses in fair value of financial assets measured at fair value by means of results and contingent consideration, etc.

h. Income Tax and Social Contribution

The income tax and social contribution of the current year are calculated based on 15% rate added from 10% additional on taxable profit exceeding R$ 240,000 for income tax and 9% on the taxable profit for social contribution on net profit, which take into account the tax loss offset and the loss of Social Contribution limited to 30% the taxable profit.

The income tax and social contributions expenses comprise the current taxes.

The tax charges and contributions calculated and collected by the Company, as well as their income statements and fiscal and accounting records are subject to review by the tax authorities in variable prescription deadlines.

Current tax

Current tax is the tax payable and receivable estimated on taxable profit or losses of the year, based on the tax rates published or materially published on the date the financial statements are prepared and any adjustments on taxes payable in respect to the previous years.

i. Intangible

As established by CPC 06 Leases (IFRS 16), in 2020, the right to use the property and building infrastructure where the Company is installed was recognized, with the corresponding liability being the total of the installments falling due, according to the agreement lease whose term will end in February 2025.

4 - Cash and Cash Equivalents

	2023	2022
Cash and Cash Equivalents	-	-
Investments	11,516,444	5,198,232
	11,516,444	5,198,232

5 -Accounts Receivable

	2023	2022
Domestic sales	4,014,178	2,178,206
Foreign sales	157,351	267,838
Foreign Sales – related parties	834,007	520,509
	5,005,537	2,966,553

6 - Transactions with Related Parties

The transactions with related parties consist basically of information technologies services to enterprises abroad as showed below:

	2023	2022
Current Assets – Accounts receivable:		
Birlasoft Solutions Limited UK (KPIT UK) (Unilever)	129,713	57,808
Birla Solution Inc (Stryker)	157,900	141,458
Birlasoft Solution Limited UK (Morgan)	-	44,097
Birla Solution Inc (Cummins)	290,474	186,778
Birla Solution Inc (NOV)	-	64,655
Birla Solution Inc (WTF)	-	-
Birla Solution Inc (Cision)	6,422	10,096
Birla Solution Limited UK (Seadrill)	24,658	15,617
Birlasoft Solution Inc (EUA) - (Quanta Services)	59,467	-

Birlasoft Solution Inc (EUA) - (ESAB)	142,394	-
Birlasoft Solution Inc (EUA) - (TETRA)	22,980	-
	834,008	520,509

The transactions performed during the year were the following:

	2023	2022
Services Revenue:		
Foreing Market		
Makro Colombia	-	558.907
Makro Argentina	-	518.893
Makro Venezuela	120.957	531.360
Portobello America Manufacturing	49.940	-
	170.897	1.609.161
Foreing Market - BIRLASOFT INC:		
CUMMINS	3.144.915	2.548.615
NOV	158.315	943.059
STRYKER	1.889.015	3.614.516
WEATHERFORD	-	44.138
BAXTER	-	100.005
VERTEX	-	100.005
CISION	143.733	90.461
QUANTA SERVICES	595.307	-
ESAB	952.429	-
TETRA	23.458	-
	6.907.172	7.440.799
Foreing Market - BIRLASOFT LIMITED:		
UNILEVER	1.476.650	879.645
MORGAN	97.072	486.493
GLORY	-	85.594
SEADRILL	241.746	107.662
	1.815.469	1.559.394
	8.893.538	**10.609.354**

7 - Capital Stock

The capital, totally paid up, is of R$ 4,022,378 (R$ 4,022,378 at 2023), divided in 4,022,378 (4,022,378 at 2023) quotas at the nominal amount of R$ 1.00 each, distributed to quota holders in the following proportion:

Shareholder	Number of Sharequotas
Birlasoft Limited	1,000
Birlasoft Solutions Inc	4,021,378
	4,022,378

*

*   *

BIRLASOFT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Balance Sheets

As of March 31, 2023 and 2022

(In Brazilian reais without cents)

Assets	**2023**	**2022**	**Liabilities**	**2023**	**2022**
Current assets:			**Current liabilities:**		
Cash and cash equivalents	11.516.445	5.198.232	Suppliers	302.525	107.104
Accounts receivable	5.005.537	2.966.553	Intercompany loan Agreement	-	-
Advances to employees	34.407	5.514	Taxes and contributions payable	1.304.463	242.331
Recoverable taxes	2.690.470	1.491.714	Payroll and related charges	336.344	215.988
Other accounts receivable	3.925.339	2.139.112	Accrued vacations and related charges	1.145.414	915.517
			Accrued consulting fees	2.486.863	1.590.237
	23.172.199	11.801.125	Accrued bonus	626.633	74.400
			Lease agreement obligations	261.533	348.711
			Other accruals	465.862	773.919
Non-Current assets:				6.929.638	4.268.207
Judicial deposits	20.157	20.157			
Property, plant and equipment	152.511	148.348			
Intangible	731.314	1.046.132	**Non-Current liabilities:**		
			Lease agreement obligations	432.010	697.421
	903.983	1.214.637	Intercompany loan agreement	-	
				432.010	697.421
			Shareholders' equity:		
			Capital stock	4.022.378	4.022.378
			Accumulated profits	12.692.156	4.027.756
				16.714.534	8.050.134
	24.076.182	13.015.762		24.076.182	13.015.762

The accompanying notes are an integral part of these financial statements.

BIRLASOFT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Income Statements

For the Years Ended March 31, 2023 and 2022

(In Brazilian reais without cents, except profit per sharequota)

	2023	**2022**
Gross revenue:		
Services revenue - domestic market	41.943.578	19.832.568
Services revenue - foreign market	9.580.180	10.609.353
	51.523.759	30.441.921
Deductions:		
Sales Taxes	(2.801.157)	(1.614.909)
Operational net revenue	48.722.602	28.827.012
Cost of services rendered	(29.076.000)	(18.255.407)
Gross profit	19.646.602	10.571.605
Operational expenses		
Selling expenses	(1.723.631)	(675.665)
Administrative and general expenses	(7.194.401)	(5.150.993)
Tax expenses	(22.161)	(17.458)
Finance (expenses) revenues, net	401.255	(108.771)
	(8.538.938)	(5.952.887)
Profit before Income and Social contributions tax	11.107.663	4.618.718
Income and Social contributions tax	(2.443.263)	(986.882)
Profit for the year	8.664.400	3.631.836
Profit per sharequota	2,15	0,90

The accompanying notes are an integral part of these financial statements.

BIRLASOFT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2023 and 2022
(In Brazilian reais without cents)

	Capital Stock	Accumulated profits (losses)	Total
Balances at April 1, 2021	4.022.378	395.920	4.418.298
Profit for the year	-	3.631.836	3.631.836
Balances at March 31, 2022	4.022.378	4.027.756	8.050.134
Profit for the year	-	8.664.400	8.664.400
Balances at March 31, 2023	4.022.378	12.692.156	16.714.534

The accompanying notes are an integral part of these financial statements.

BIRLASOT SOLUTIONS LTDA.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Cash Flow Statements

For the Years Ended March 31 2023, and 2022
(In Brazilian reais without cents)

	2023	2022
CASH FLOW OF OPERATIONAL ACTIVITIES		
Profit for the year	8.664.400	3.631.836
Adjustments to reconcile the fiscal year net profit with Cash generated by operational activities:		
Depreciation and amortization	357.508	462.680
Interest and exchange variation on intercompany loans	-	(113.780)
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	(2.038.984)	(479.930)
Advances to employees	(28.893)	579
Recoverable taxes	(1.198.757)	(387.471)
Other accounts receivable	(1.786.227)	(1.384.494)
Judicial deposits	(0)	2.824
Increase (decrease) in the operational liabilities:		
Suppliers	195.421	(28.297)
Taxes and contributions payable	1.062.133	(79.966)
Salaries and Labor Taxes payable	120.356	54.581
Accrued vacations and related charges	229.897	142.514
Accrued consulting fees	896.626	562.801
Accrued bonus	376.141	-
Other accruals	(106.784)	371.823
Cash generated from operational activities	**6.742.839**	**2.755.700**
CASH FLOW OF INVESTMENTS ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets	(93.127)	(1.139.361)
Cash invested on activities of investments	**(93.127)**	**(1.139.361)**
CASH FLOW OF FINANCIAL ACTIVITIES		
Lease agreement obligations	(331.498)	505.910
(Payments) funding of intercompany loans	-	(2.175.060)
Cash invested on activities of financial	**(331.498)**	**(1.669.150)**
(DECREASE) INCREASE OF AVAILABLE FUNDS BALANCE	**6.318.214**	**(52.811)**
CASH AND CASH EQUIVALENTS		
Opening Balance	5.198.232	5.251.043
Ending Balance	11.516.445	5.198.232
(DECREASE) INCREASE OF AVAILABLE FUNDS BALANCE	**6.318.213**	**(52.811)**

The accompanying notes are an integral part of these financial statements.

Birlasoft Inc.

Registered Office: 399, Thornall Street, 8th 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, 2023.

Financial Results

Particulars	2022-23 USD (Million)	2021-22 USD (Million)
Total Income	260.28	219.55
Net Profit / (Loss) for the year	19.05	13.11

Operations

During the year under review, total income of the Company increased by 18.55% which resulting in net profit of USD 19.05 million.

Board of Directors

During the year under review, Mr. Angan Guha was appointed as a Director effective December 6, 2022. Mrs. Amita Birla, Mr. Chandrakant Birla, Ms. Nandita Gurjar, Mr. Angan Guha, Mr. S. S. Kejriwal, Mr. P. C. Agarwala and Ms. Anindita Chowdhury are Directors of the Company.

Audit

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

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

New Delhi
May 8, 2023

Amita Birla
Director

Birlasoft Inc.

Balance Sheet

as at 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	**2A**	**23,935**	42,620
Right-of-use assets	**2B**	**-**	-
Other intangible assets	**2C**	**-**	-
Financial assets			
Investments	**3**	**8,341,264**	8,341,264
Other financial assets	**4**	**71,930**	71,930
Income tax assets (net)		**183,873**	1,254,307
Deferred tax assets (net)	**5**	**4,056,376**	3,592,427
Other non-current assets	**6**	**23,514**	140,547
		12,700,892	13,443,095
Current assets			
Financial assets			
Investments	**7**	**22,003,147**	9,500,000
Trade receivables			
Billed	**8**	**33,888,551**	27,437,522
Unbilled		**11,996,250**	11,548,559
Cash and cash equivalents	**9**	**4,001,324**	3,152,734
Other current assets	**10**	**14,642,277**	14,049,866
		86,531,549	65,688,681
TOTAL ASSETS		**99,232,441**	79,131,776
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**11**	**500,000**	500,000
Other equity		**77,520,402**	58,471,546
Total equity		**78,020,402**	58,971,546
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	**12**	**11,731,114**	10,456,188
Other financial liabilities	**13**	**3,932,785**	3,051,270
Other current liabilities	**14**	**3,222,252**	5,249,744
Provisions	**15**	**2,325,888**	1,403,028
		21,212,039	20,160,230
TOTAL EQUITY AND LIABILITIES		**99,232,441**	79,131,776

Significant accounting policies **1**

Notes referred to above form an integral part of the financial statements **2-24**

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

Place - New Delhi
Date - 08 May 2023

Amita Birla
Director

Birlasoft Inc.

Statement of Profit and Loss

for the year ended 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
Revenue from operations	**16**	**260,272,608**	219,236,456
Other income (net)	**17**	**7,459**	312,511
Total income		**260,280,067**	219,548,967
Expenses			
Employee benefits expense	**18**	**62,815,979**	51,649,896
Finance costs	**19**	**753,482**	146,741
Depreciation and amortization expense	**2**	**32,318**	210,278
Other expenses	**20**	**172,127,631**	149,352,961
Total expenses		**235,729,410**	201,359,876
Profit before tax		**24,550,657**	**18,189,091**
Tax expense			
Current tax		**5,965,750**	5,653,929
Deferred tax (benefit)/charge		**(463,949)**	(578,682)
Total tax expense		**5,501,801**	5,075,247
Profit for the year		**19,048,856**	13,113,844
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-24**		

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

Place - New Delhi
Date - 08 May 2023

Amita Birla
Director

Birlasoft Inc.

Statement of changes in equity

for the year ended 31 March 2023

(Amount in USD)

A	**Equity share capital**	**Amount**
	Balance as at 01 April 2021	**500,000**
	Changes in equity share capital during 2021-22	-
	Balance as at 01 April 2022	**500,000**
	Changes in equity share capital during 2022-23	**-**
	Balance as at 31 March 2023	**500,000**

B Other equity

	Retained earnings	Total
Balance as at 01 April 2021	**45,357,702**	**45,357,702**
Profit for the year	13,113,844	**13,113,844**
Balance as at 01 April 2022	**58,471,546**	**58,471,546**
Profit for the year	19,048,856	**19,048,856**
Balance as on 31 March 2023	**77,520,402**	**77,520,402**

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

Place - New Delhi
Date - 08 May 2023

Amita Birla
Director

Birlasoft Inc.

Statement of Cash Flows

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	**19,048,856**	13,113,844
	Adjustments for		
	Income tax expense	**5,501,801**	5,075,247
	Depreciation / Amortization	**32,318**	210,278
	Interest expense	**753,482**	146,741
	Interest income	**-**	(192,500)
	Gain on sale / redemption of mutual funds	**(100,368)**	(844)
	Fair value loss on financial assets (investments) at fair value through profit or loss	**(3,147)**	-
	Provision for doubtful debts and advances (net)	**128,819**	-
	Unrealised foreign exchange loss/(gain)	**98,545**	(90,432)
	Operating Profit before working capital changes	**25,460,306**	18,262,334
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	**(7,028,148)**	(18,060,308)
	Loans, other financials assets and other assets	**(475,378)**	(5,980,802)
	Trade Payables	**1,176,990**	9,116,928
	Other financial liabilities, other liabilities and provisions	**(223,117)**	(1,971,117)
	Cash generated from operations	**18,910,653**	1,367,035
	Income taxes paid	**(4,895,316)**	(6,496,757)
	Net cash generated from operating activities (A)	**14,015,337**	(5,129,722)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	**(13,633)**	(4,427)
	Loan (given to)/repaid by related parties	**-**	10,425,952
	Purchase of investments	**(60,899,632)**	(32,600,000)
	Sale of investments carried at fair value through profit and loss (net)	**48,500,000**	23,100,844
	Interest received	**-**	192,500
	Net cash used in investing activities (B)	**(12,413,265)**	1,114,869
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of lease liabilities	**-**	(216,243)
	Interest and finance charges paid	**(753,482)**	(138,933)
	Net cash used in financing activities (C)	**(753,482)**	(355,176)
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**848,590**	(4,370,029)
	Cash and cash equivalents at end of the year (Refer note 1 below)	**4,001,324**	3,152,734
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	**3,152,734**	7,522,763
	Net Increase/ (decrease) in cash and cash equivalents	**848,590**	(4,370,029)

Note 1 :

Cash and cash equivalents include:

	31 March 2023	31 March 2022
Balance with banks		
- In current accounts	**4,001,324**	3,152,734
Total Cash and cash equivalents	**4,001,324**	3,152,734

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 - 08 May 2023

Amita Birla
Director

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 Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time
The financial statements are presented in US Dollars ("USD"), unless otherwise stated.

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

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1.2 Current–non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realized within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

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

Operating cycle

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

1.3 Revenue recognition

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.

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.

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.

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.

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.

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)

for the year ended 31 March 2023

(Amount in USD)

2A Property, plant and equipment

	Computers	Furniture and Fixtures	Office Equipment	Total
Gross carrying amount as at 1 April 2021	**372,412**	**259,468**	**43,365**	**675,245**
Additions	4,763	-	-	**4,763**
Disposal	-	-	-	**-**
Gross carrying amount as at 31 March 2022	**377,175**	**259,468**	**43,365**	**680,008**
Accumulated depreciation as at 1 April 2021	**333,719**	**226,658**	**33,184**	**593,561**
Depreciation for the year	26,763	12,951	4,113	**43,827**
Disposal	-	-	-	**-**
Accumulated depreciation as at 31 March 2022	**360,482**	**239,609**	**37,297**	**637,388**
Gross carrying amount as at 1 April 2022	**377,175**	**259,468**	**43,365**	**680,008**
Additions	13,633	-	-	**13,633**
Disposal	-	154,125	-	**154,125**
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**
Depreciation for the year	15,253	12,951	4,114	**32,318**
Disposal	-	154,125	-	**154,125**
Accumulated depreciation as at 31 March 2023	**375,735**	**98,435**	**41,411**	**515,581**
Carrying amount as at 31 March 2022	**16,693**	**19,859**	**6,067**	**42,620**
Carrying amount as at 31 March 2023	**15,073**	**6,908**	**1,953**	**23,935**

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

2B Right-of-use assets

	Office Premises	Total
Gross carrying amount as at 1 April 2021	**565,805**	**565,805**
Additions	-	-
Disposal	565,805	**565,805**
Gross carrying amount as at 31 March 2022	-	-
Accumulated depreciation as at 01 April 2021	**399,354**	**399,354**
Depreciation for the year	166,451	**166,451**
Disposal	565,805	**565,805**
Accumulated depreciation as at 31 March 2022	-	-
Carrying amount as at 31 March 2022	-	-
Carrying amount as at 31 March 2023	-	-

2C Other intangible assets

	Other than Internally Generated	Total
	Software	
Gross carrying amount as at 1 April 2021	**629,866**	**629,866**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2022	**629,866**	**629,866**
Accumulated depreciation as at 1 April 2021	**629,866**	**629,866**
Depreciation for the year	-	-
Disposal	-	-
Accumulated depreciation as at 31 March 2022	**629,866**	**629,866**
Gross carrying amount as at 1 April 2022	**629,866**	**629,866**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2023	**629,866**	**629,866**
Accumulated depreciation as at 1 April 2022	**629,866**	**629,866**
Depreciation for the year	-	-
Disposal	-	-
Accumulated depreciation as at 31 March 2023	**629,866**	**629,866**
Carrying amount as at 31 March 2022	-	-
Carrying amount as at 31 March 2023	-	-

Birlasoft Inc.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
3	**Non-Current investments**		
	Investments in equity instruments of subsidiaries (at cost)		
	Birlasoft UK Ltd	**278,780**	278,780
	(150,000 (Previous year 150,000) Equity shares of face value £ 1 each fully paid up)		
	Enablepath LLC	**8,062,484**	8,062,484
	(100 (Previous year 100) Class A voting common shares with no par value fully paid up)		
		8,341,264	8,341,264
4	**Other financial assets**		
	Security deposits	**71,930**	71,930
		71,930	71,930
5	**Deferred tax assets (net)**		
	Deferred tax assets		
	-Provision for compensated absences	**566,408**	382,850
	-VPI	**80,609**	59,018
	-Retention bonus	**132,631**	160,959
	-Provision for expenses	**42,817**	25,125
	-Others	**3,240,603**	3,014,419
		4,063,068	3,642,371
	Deferred tax liabilities		
	-Provision for depreciation	**6,692**	12,057
	-Interest payable	**-**	37,887
		6,692	49,944
	Net deferred tax asset	**4,056,376**	3,592,427
6	**Other non-current assets**		
	Contract Fulfillment Cost	**23,514**	140,547
		23,514	140,547

Birlasoft Inc.
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
7	**Current investments**		
	Investments in Mutual funds measured at fair value through profit or loss (quoted)		
	22,003,147 units (Previous Year 9,500,000 units) HSBC US Govt MMF Intermediary CL	**22,003,147**	9,500,000
		22,003,147	**9,500,000**
8	**Trade receivables**		
	Trade Receivables considered good - Unsecured	**33,888,551**	27,437,522
	Trade Receivables - credit impaired	**128,819**	-
		34,017,370	27,437,522
	Less: Allowances for bad and doubtful trade receivables	**128,819**	-
		33,888,551	27,437,522
9	**Cash and bank balances**		
	Balances with banks		
	- In current accounts	**4,001,324**	3,152,734
		4,001,324	3,152,734
10	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Employee advances	**232,428**	129,929
	Advance to suppliers	**65,652**	412,473
	Contract assets -from fixed price contracts	**5,775,685**	5,444,666
	Prepaid expenses	**118,687**	294,946
	Contract Fulfillment Cost	**142,101**	151,156
	Balances with statutory authorities	**13,146**	-
	Other receivables from related party	**8,232,564**	7,616,696
	Others	**62,014**	-
		14,642,277	14,049,866

(Amount in USD)

	31 March 2023	31 March 2022
11 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)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
12	**Trade payables**		
	Total outstanding dues of trade payables	**11,731,114**	10,456,188
		11,731,114	10,456,188
13	**Other current financial liabilities**		
	Accrued employee costs	**3,870,685**	3,051,270
	Payable to related party	**62,100**	-
		3,932,785	3,051,270
14	**Other current liabilities**		
	Unearned revenue	**942,102**	3,912,629
	Advances from customers	**2,051,536**	260,227
	Statutory remittances	**228,614**	1,076,888
		3,222,252	5,249,744
15	**Provisions - current**		
	Provision for employee benefits		
	- Compensated Absences	**2,325,888**	1,403,028
		2,325,888	1,403,028

(Amount in USD)

		31 March 2023	31 March 2022
16	**Revenue from operations**		
	Software services	**260,272,608**	219,236,456
		260,272,608	219,236,456
17	**Other income**		
	Interest income	**-**	192,500
	Foreign exchange gain (net)	**(96,056)**	117,385
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	**-**	1,782
	Gain on sale / redemption of mutual funds (net)	**100,368**	844
	Fair value gain on financial assets (investments) at fair value through profit or loss	**3,147**	-
		7,459	312,511

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

	31 March 2023	31 March 2022
18 Employee benefits expense		
Salaries, wages and incentives	**61,958,868**	51,154,241
Share based compensation to employees	**684,134**	363,930
Staff welfare expenses	**172,977**	131,725
	62,815,979	51,649,896
19 Finance costs		
Interest expense	**753,482**	138,933
Interest on lease liabilities	**-**	7,808
	753,482	146,741
20 Other expenses		
Travel and overseas expenses (net)	**2,538,981**	1,712,239
Cost of service delivery (net)	**115,736,820**	95,364,405
Cost of professional sub-contracting (net)	**50,893,437**	50,793,254
Recruitment and training expenses	**549,265**	280,916
Power and fuel	**13,781**	-
Rent	**254,834**	32,733
Repairs and maintenance -		
- plant and equipment	**46,163**	42,627
- others	**20,009**	-
Insurance	**11,342**	1,365
Rates and taxes	**362,500**	281,090
Communication expenses (net)	**87,490**	39,760
Legal and professional fees	**565,503**	441,556
Marketing expenses	**498,621**	216,149
Provision for doubtful debts and advances (net)	**128,819**	-
Miscellaneous expenses (net)	**420,066**	146,867
	172,127,631	149,352,961

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 2023

21 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 Netherlands Branch]
	Birlasoft GmBH
	Enablepath, LLC
Fellow Subsidiary Companies	Birlasoft Solutions Inc.
	Birlasoft Technologies Cananda 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 France

B. Transactions with related parties

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (USD)	Balance as on 31 March 2023 Debit/(Credit) (USD)	Amount of transactions during the year (USD)	Balance as on 31 March 2022 Debit/(Credit) (USD)
1	**Birlasoft Limited, India**				
	Software Services Charges	100,145,948	3,291,536	87,043,613	(6,881)
	Sale of Software Services	8,259	1,427	-	-
	Advance taken (net)	(75,075)	(62,100)	(69,322)	(135,623)
	Reimbursement of expenses (net)(including share based payment expense)	(722,331)		(396,937)	
2	**Birlasoft (UK) Limited [Including Netherlands Branch]**				
	Reimbursement of expenses	-	-	(1,750)	-
	Sale of Software Services	171,516	257,639	88,642	88,642
	Software service charges	518,289	(95,432)	517,509	-
3	**Enablepath, LLC**				
	Reimbursement of expenses	-	7,486,443	-	7,486,443
	Advance received (net)	-		-	
4	**Birlasoft Solutions Inc.**				
	Reimbursement of expenses (net)	214,086	714,601	268,388	98,478
	Advance received (net)	1,940,160		738,060	
	Software service charges	14,477,849	(2,571,563)	6,608,962	(4,984,150)
	Sale of Software Services	6,534,486	6,136,978	2,998,897	2,571,813
	Loans given/(repayment)	-	-	(8,000,000)	-
	Interest Income	-	-	131,541	
5	**Birlasoft Technologies Canada Corporation**				
	Software service charges	1,293,919	(199,380)	1,047,134	(693,922)
	Sale of Software Services	61,978	9,362	164,747	112,460

Birlasoft Inc.

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

21 Related party disclosures (continued)

B. Transactions with related parties (continued)

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (USD)	Balance as on 31 March 2023 Debit/(Credit) (USD)	Amount of transactions during the year (USD)	Balance as on 31 March 2022 Debit/(Credit) (USD)
6	**Birlasoft Computer Corporation, USA**				
	Reimbursement of expenses	88,163	8,808	120,936	27,987
	Sale of Software Services	534,332	1,067,935	699,260	533,602
	Software service charges	700,706	(100,667)	535,815	(352,552)
7	**Birlasoft Consulting Inc. USA**				
	Reimbursement of expenses	67,386	22,712	57,281	7,869
	Advance received (net)	215,986		143,024	
	Sale of Software Services	420,449	771,194	530,258	350,745
	Software service charges	872,403	(73,718)	656,518	(473,567)
8	**Birlasoft Solutions ME FZE. (Australia Branch)**				
	Sale of Software Services	-	-	103,040	(194,323)
	Software service charges	11,253	1,009	-	-
9	**Birlasoft Solutions Limited,UK**				
	Software service charges	880,775	(111,041)	1,233,392	(969,784)
	Sale of Software Services	1,607,063	1,482,353	601,758	601,578
	Loans given / (repayment)	-	-	(2,200,000)	-
	Interest Income	-	-	60,958	
10	**Birlasoft Solutions France**				
	Software service charges	185,234	(36,164)	54,364	(80,885)
	Advance received (net)	-	-	8,500	-
	Sale of Software Services	3,375	3,375	4,928	3,957
11	**Birlasoft Solutions Mexico S.A.DE C.V.**				
	Sale of Software Services	18,953	18,953	2,228	2,228
	Software service charges	279,250	(55,385)	79,440	(90,176)
12	**Birlasoft Solutions GmBH**				
	Software Service charges	73,681	(13,128)	37,578	(37,578)

22 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.

23 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2023 (previous year 31 March 2022 - nil)

24 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 - 08 May 2023

Amita Birla
Director

Enablepath, LLC

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

Board's Report

Dear Member,

Your Company presents herewith the report on the operations together with the accounts for the financial year ended March 31, 2023.

Financial Results

Particulars	2022-23 USD (Million)	2021-22 USD (Million)
Total Income	-	-
Net Profit / (Loss) for the year	(0.37)	(0.37)

Operations

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

Merger

The Company is being merged into Birlasoft Inc. effective April 1, 2023.

Audit

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

For and on behalf of **Enablepath, LLC**

New Jersey
March 31, 2023

Indu Nangia
Manager

Enablepath, LLC

Balance Sheet

as at 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2A	-	-
Goodwill	2B	373,320	747,666
Other intangible assets	2B	-	
Deferred tax assets (net)		773,524	773,524
		1,146,844	**1,521,190**
Current assets			
Financial assets			
Cash and cash equivalents	3	1,468	1,468
		1,468	**1,468**
TOTAL ASSETS		**1,148,312**	**1,522,658**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	8,062,484	8,062,484
Other equity		(14,400,613)	(14,026,267)
Total equity		**(6,338,129)**	**(5,963,783)**
Liabilities			
Current liabilities			
Financial liabilities			
Other financial liabilities	5	7,486,441	7,486,441
		7,486,441	**7,486,441**
TOTAL EQUITY AND LIABILITIES		**1,148,312**	**1,522,658**

Significant accounting policies	1
Notes referred to above form an integral part of the financial statements	2-8

For and on behalf of Enablepath LLC

Indu Nangia
Manager

Place: New Jersey
Date: 31 March 2023

Enablepath, LLC

Statement of Profit and Loss

for the year ended 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
Revenue from operations		-	-
Total income		-	-
Expenses			
Depreciation and amortization expense	2	374,346	374,346
Total expenses		**374,346**	**374,346**
Profit before tax		**(374,346)**	**(374,346)**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial staten	2-8		

For and on behalf of Enablepath LLC

Indu Nangia
Manager

Place: New Jersey
Date: 31 March 2023

Enablepath, LLC

Statement of Cash Flows

for the year ended 31 March 2023

(Amount in USD)

PARTICULARS	**31 March 2023**	**31 March 2022**
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(374,346)	(374,346)
Adjustments for		
Depreciation / Amortization	374,346	374,346
Operating Profit before working capital changes	-	-
Net cash generated from operating activities	-	-
Net Increase/ (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at close of the year (Refer note 1 below)	**1,468**	**1,468**
Cash and cash equivalents at beginning of the year (Refer note 1 below)	**1,468**	**1,468**
Cash surplus / (deficit) for the year	-	-
Note 1 :		
Cash and cash equivalents include:		
- In current accounts	**1,468**	**1,468**
Total Cash and cash equivalents	**1,468**	**1,468**

Note 2:
Figures in brackets represent outflows of cash and cash equivalents.

Note 3:
The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind-AS) 7 on statement of cash flows.

For and on behalf of Enablepath LLC

Indu Nangia
Manager

Place: New Jersey
Date: 31 March 2023

Enablepath, LLC

Statement of Changes in Equity

for the year ended 31 March 2023

(Amount in USD)

A	**Equity share capital**	**Amount**
	Balance as at 01 April 2021	8,062,484
	Changes in equity share capital during 2021-22	-
	Balance as at 01 April 2022	**8,062,484**
	Changes in equity share capital during 2022-23	-
	Balance as at 31 March 2023	**8,062,484**

B **Other equity**

	Retained earnings	Total equity
Balance as on 01 April 2021	**(13,651,921)**	**(13,651,921)**
Profit for the year	(374,346)	(374,346)
Balance as on 01 April 2022	**(14,026,267)**	**(14,026,267)**
Profit for the year	(374,346)	(374,346)
Balance as on 31 March 2023	**(14,400,613)**	**(14,400,613)**

For and on behalf of the Enablepath LLC

Indu Nangia
Manager

Place: New Jersey
Date: 31 March 2023

Enablepath, LLC

Notes forming part of the financial statements

for the year ended 31 March 2023

Company Overview:

Enablepath, LLC is a subsidiary of Birlasoft Inc. and it is a step-down subsidiary of Birlasoft Limited, India.

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

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements are presented in US Dollar ("USD"),unless otherwise stated.

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

1.2 Current-non current classification

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

Assets

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

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

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

Liability

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

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

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

Operating cycle

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

1.3 Revenue recognition:

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

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method (‘POC method’) of accounting with contract costs incurred/ efforts expended determining the degree of completion of the performance obligation.

1.3 Revenue recognition (continued):

- Revenue from third party software is recognised upfront at the point in time when software is delivered to the customer, such revenue is recognised on net basis when the Group is acting as an agent. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

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

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

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

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

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

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

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

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

Use of significant judgements in revenue recognition

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

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

iii. The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

iv. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

v. Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

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:

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.

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.

1.10 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.

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

1.14 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 Group's cash management.

(Amount in USD)

2A Property, plant and equipment

	Computers	Furniture and Fixtures	Total
Gross carrying amount as at 1 April 2021	**95,010**	**44,477**	**139,486**
Other additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2022	**95,010**	**44,477**	**139,486**
Accumulated depreciation as at 1 April 2021	**95,010**	**44,477**	139,486
Depreciation	-	-	-
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2022	**95,010**	**44,477**	**139,486**
Gross carrying amount as at 1 April 2022	**95,010**	**44,477**	**139,486**
Other additions	-	-	-
Disposal/retirements/derecognition	95,010	44,477	139,486
Gross carrying amount as at 31 March 2023	**-**	**-**	**-**
Accumulated depreciation as at 1 April 2022	**95,010**	**44,477**	**139,486**
Depreciation	-	-	-
Disposal/retirements/derecognition	95,010	44,477	139,486
Accumulated depreciation as at 31 March 2023	**-**	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**	**-**
Carrying amount as at 31 March 2023	**-**	**-**	**-**

2B Other intangible assets

	Intangible Assets	Goodwill	Total
Gross carrying amount as at 1 April 2021	**3,390,000**	**3,740,951**	**7,130,951**
Other additions	-	-	**-**
Disposal/retirements/derecognition	-	-	**-**
Gross carrying amount as at 31 March 2022	**3,390,000**	**3,740,951**	**7,130,951**
Accumulated depreciation as at 1 April 2021	**3,390,000**	**2,618,939**	**6,008,939**
Depreciation	-	374,346	**374,346**
Disposal/retirements/derecognition	-	-	**-**
Accumulated depreciation as at 31 March 2022	**3,390,000**	**2,993,285**	**6,383,285**
Gross carrying amount as at 1 April 2022	**3,390,000**	**3,740,951**	**7,130,951**
Other additions	-	-	**-**
Disposal/retirements/derecognition	3,390,000	-	**3,390,000**
Gross carrying amount as at 31 March 2023	**-**	**3,740,951**	**3,740,951**
Accumulated depreciation as at 1 April 2022	**3,390,000**	**2,993,285**	**6,383,285**
Depreciation	-	374,346	**374,346**
Disposal/retirements/derecognition	3,390,000	-	**3,390,000**
Accumulated depreciation as at 31 March 2023	**-**	**3,367,631**	**3,367,631**
Carrying amount as at 31 March 2022	**-**	**747,666**	**747,666**
Carrying amount as at 31 March 2023	**-**	**373,320**	**373,320**

(Amount in USD)

	31 March 2023	31 March 2022
3 Cash and bank balances		
Balances with banks		
- In current accounts	1,468	1,468
	1,468	**1,468**

(Currency - USD)

		31 March 2023	31 March 2022
4	**Equity Share capital**		
	Issued subscribed and fully paid up:		
	100 (31 March 2022 : 100) Class A voting common shares with no par value fully paid up/ Common shares with no par value fully paid up	8,062,484	8,062,484
		8,062,484	**8,062,484**

(Amount in USD)

		31 March 2023	31 March 2022
5	**Other current financial liabilities**		
	Other payables to related party	7,486,441	7,486,441
		7,486,441	**7,486,441**

Enablepath, LLC

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

for the year ended 31 March 2023

(Amount in USD)

6 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2023 (previous year 31 March 2022 - nil).

7 Related party transactions:

A. Relationship with parent and other subsidiaries

Relationship	Name of related party
Ultimate Holding Company	Birlasoft Limited, India
Holding Company	Birlasoft Inc, USA

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2022-23 (USD)	Balance as at 31 March 2023 (USD)	Amount of transaction 2021-22 (USD)	Balance as at 31 March 2022 (USD)
1	**Birlasoft Inc, USA**				
	Reimbursement of expenese	-	(7,486,443)	-	(7,486,443)
	Advance received (net)	-		-	

8 The management of respective entities approved and authorized the merger of the Company into Birlasoft Inc (Holding company of the company) upon the terms and conditions as set forth in the Agreement and Plan of Merger, effective 01 April 2023.

For and on behalf of Enablepath, LLC

Indu Nangia
Manager

Place: New Jersey
Date: 31 March 2023

Birlasoft Computer Corporation

Registered Office: 399, Thornall Street, 8^{th} 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, 2023.

Financial Results

Particulars	**2022-23 USD (Million)**	**2021-22 USD (Million)**
Total Income	35.22	41.72
Net Profit / (Loss) for the year	(0.80)	1.36

Operations

During the year under review, total income of the Company decreased by 15.60% which resulted in net loss of USD 0.80 million.

Board of Directors

During the year under review, Mr. Dharmander Kapoor resigned as the Director effective end of business hours of November 30, 2022 and Mr. Angan Guha was appointed as the Director of the Company effective December 6, 2022. Mr. Angan Guha and Mr. Roopinder Singh 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 Computer Corporation

Pune
May 8, 2023

Angan Guha
Director

Birlasoft Computer Corporation
Balance Sheet
as at 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	**2A**	**176**	322
Other intangible assets	**2B**	**-**	-
Financial assets			
Investments	**3**	**1**	1
Income tax assets (net)		**495,422**	479,813
Deferred tax assets (net)	**4**	**393,300**	281,191
		888,899	761,327
Current assets			
Financial assets			
Trade receivables			
Billed	**5**	**21,154,064**	15,443,789
Unbilled		**791,517**	807,426
Cash and cash equivalents	**6**	**2,808,043**	4,180,928
Other financial assets	**7**	**8,550**	54,684
Other current assets	**8**	**70,527**	1,977,081
		24,832,701	22,463,908
TOTAL ASSETS		**25,721,600**	23,225,235
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**9**	**110,000**	110,000
Other equity		**12,932,780**	13,733,840
Total equity		**13,042,780**	13,843,840
Liabilities			
Financial liabilities			
Trade payables	**10**	**11,008,693**	7,317,325
Other financial liabilities	**11**	**868,862**	1,203,781
Other current liabilities	**12**	**160,367**	401,813
Provisions	**13**	**640,659**	458,476
Income tax liabilities (net)		**239**	-
		12,678,820	9,381,395
TOTAL EQUITY AND LIABILITIES		**25,721,600**	23,225,235

Significant accounting policies	**1**
Notes referred to above form an integral part of the financial statements	**2-21**

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Computer Corporation

Statement of Profit and Loss

for the year ended 31 March 2023

(Amount in USD)

	Note	31 March 2023	31 March 2022
Revenue from operations	**14**	**35,226,748**	41,698,176
Other income (net)	**15**	**(11,416)**	23,879
Total income		**35,215,332**	41,722,055
Expenses			
Employee benefits expense	**16**	**15,105,684**	15,669,112
Finance costs	**17**	**538**	14
Depreciation and amortization expense	**2**	**146**	319
Other expenses	**18**	**21,051,018**	24,407,797
Total expenses		**36,157,386**	40,077,242
Profit before tax		**(942,054)**	**1,644,813**
Tax expense			
Current tax		**(28,885)**	137,001
Deferred tax (benefit)/charge		**(112,109)**	143,232
Total tax expense		**(140,994)**	280,233
Profit for the year		**(801,060)**	1,364,580
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-21**		

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Computer Corporation
Statement of changes in equity
for the year ended 31 March 2023

(Amount in USD)

A	Equity share capital	Amount
	Balance as at 1 April 2021	**110,000**
	Changes in equity share capital during 2021-22	-
	Balance as at 1 April 2022	**110,000**
	Changes in equity share capital during 2022-23	**-**
	Balance as at 31 March 2023	**110,000**

B Other equity

	Retained earnings	Total
Balance as on 1 April 2021	**12,369,260**	**12,369,260**
Profit for the year	1,364,580	**1,364,580**
Balance as on 1 April 2022	**13,733,840**	**13,733,840**
Profit for the year	(801,060)	**(801,060)**
Balance as on 31 March 2023	**12,932,780**	**12,932,780**

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Computer Corporation

Statement of Cash Flows

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss)/ Profit for the year	**(801,060)**	1,364,580
	Adjustments for		
	Income tax expense	**(140,994)**	280,233
	Depreciation / Amortization	**146**	319
	Interest expense	**538**	14
	Provision for doubtful debts and advances (net)	**(35,406)**	-
	Bad debts written off	**67,963**	-
	Unrealised foreign exchange loss/(gain)	**(4,861)**	22,611
	Operating Profit before working capital changes	**(913,674)**	1,667,757
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	**(5,725,960)**	1,501,901
	Loans, other financials assets and other assets	**1,952,688**	(2,015,770)
	Trade Payables	**3,695,265**	2,211,705
	Other financial liabilities, other liabilities and provisions	**(394,182)**	(1,857,677)
	Cash generated from operations	**(1,385,862)**	1,507,916
	Income taxes paid	**13,515**	(237,970)
	Net cash generated from operating activities (A)	**(1,372,347)**	1,269,946
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including net movement in capital work-in-progress and capital advances)	**-**	(78)
	Net cash used in investing activities (B)	**-**	(78)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	**(538)**	(14)
	Net cash used in financing activities (C)	**(538)**	(14)
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**(1,372,885)**	1,269,854
	Cash and cash equivalents at end of the year (Refer note 1 below)	**2,808,043**	4,180,928
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	**4,180,928**	2,911,074
	Net Increase/ (decrease) in cash and cash equivalents	**(1,372,885)**	1,269,854

Note 1 :

Cash and cash equivalents include:

	31 March 2023	31 March 2022
Cheques in hand	**-**	1,104,023
Balance with banks		
- In current accounts	**2,808,043**	3,076,905
Total Cash and cash equivalents	**2,808,043**	4,180,928

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 - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Computer Corporation

Notes forming part of the financial statements

for the year ended 31 March 2023

Company Overview:

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

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

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.
The financial statements are presented in US Dollar ("USD"),unless otherwise stated.

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

1.2 Current-non current classification

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

Assets

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

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

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

Liability

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

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

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

Operating cycle

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

1.3 Revenue recognition

The 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.

1.3 Revenue recognition (contined)

- 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.

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

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:

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

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

1.8 Leases (continued)

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

b. Extension and termination of lease

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

c. Short term leases and low value assets

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

d. Impairment testing for right of use of assets

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

1.9 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.

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)*

for the year ended 31 March 2023

(Amount in USD)

2A Property, plant and equipment

	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2021	**173,235**	**45,000**	**13,825**	**232,060**
Additions	78	-	-	78
Disposal	-	-	-	-
Gross carrying amount as at 31 March 2022	**173,313**	**45,000**	**13,825**	**232,138**
Accumulated depreciation as at 1 April 2021	**172,875**	**45,000**	**13,622**	**231,497**
Depreciation	157	-	162	319
Disposal	-	-	-	-
Accumulated depreciation as at 31 March 2022	**173,032**	**45,000**	**13,784**	**231,816**
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**
Carrying amount as at 31 March 2022	**281**	**-**	**41**	**322**
Carrying amount as at 31 March 2023	**176**	**-**	**-**	**176**

2B Other intangible assets

	Internally Generated Product Development Cost	Total
Gross carrying amount as at 1 April 2021	**37,233**	**37,233**
Additions	-	-
Disposal	-	-
Gross carrying amount as at 31 March 2022	**37,233**	**37,233**
Accumulated depreciation as at 1 April 2021	**37,233**	**37,233**
Amortisation	-	-
Disposal	-	-
Accumulated amortisation as at 31 March 2022	**37,233**	**37,233**
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 2022	**37,233**	**37,233**
Amortisation	-	-
Disposal	37,233	37,233
Accumulated amortisation as at 31 March 2023	**-**	**-**
Carrying amount as at 31 March 2022	**-**	**-**
Carrying amount as at 31 March 2023	**-**	**-**

Birlasoft Computer Corporation

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
3	**Non-Current investments**		
	Investments in equity instruments of subsidiaries (at cost)		
	Birlasoft Technologies Canada Corporation	**1**	1
	100 Class A voting common shares with no par value fully paid up		
		1	1
4	**Deferred tax assets (net)**		
	Deferred tax assets		
	-Provision for doubtful debts and advances	**4,397**	33,237
	-Provision for compensated absences	**126,898**	99,247
	-Accrued Payroll	**1,687**	1,405
	-Accrued expenses	**20,027**	6,149
	-Others (mainly includes employee related provision)	**264,556**	166,544
		417,565	306,582
	Deferred tax liabilities		
	-Excess of depreciation/amortisation on property, plant and equipment under income-tax law over depreciation/amortisation provided in accounts	**19,868**	72
	-Provision for doubtful debts	**4,397**	25,319
		24,265	25,391
	Net deferred tax asset	**393,300**	281,191

Birlasoft Computer Corporation

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
5	**Trade receivables**		
	(Unsecured)		
	Trade Receivables considered good	**21,154,064**	15,443,789
	Trade Receivables - credit impaired	**-**	35,406
		21,154,064	15,479,195
	Less: Allowances for bad and doubtful trade receivables	**-**	35,406
		21,154,064	15,443,789
6	**Cash and bank balances**		
	Cash and cash equivalents		
	- Cheques in hand	**-**	1,104,023
	Balances with banks		
	- In current accounts	**2,808,043**	3,076,905
		2,808,043	4,180,928
7	**Other current financial assets**		
	Other receivables from Related Parties	**8,550**	54,684
		8,550	54,684
8	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Employee advances	**400**	210
	Advance to suppliers	**7,099**	1,406
	Contract assets -from fixed price contracts	**23,891**	1,962,704
	Balances with statutory authorities	**14,670**	-
	Others	**24,467**	12,761
		70,527	1,977,081

Birlasoft Computer Corporation

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
9	**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)
for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
10	**Trade payables**		
	Total outstanding dues of trade payables	**11,008,693**	7,317,325
		11,008,693	7,317,325
11	**Other current financial liabilities**		
	Accrued employee costs	**804,267**	1,123,655
	Payable to related party	**64,595**	80,126
		868,862	1,203,781
12	**Other current liabilities**		
	Unearned revenue	**43,841**	-
	Advances from customers	**19,669**	7,183
	Statutory remittances	**96,857**	394,630
		160,367	401,813
13	**Provisions - current**		
	Provision for employee benefits		
	- Compensated Absences	**640,659**	458,476
		640,659	458,476

(Amount in USD)

		31 March 2023	31 March 2022
14	**Revenue from operations**		
	Software services	**35,226,748**	41,698,176
		35,226,748	41,698,176
15	**Other income**		
	Foreign exchange gain (net)	**(11,416)**	23,879
		(11,416)	23,879

Birlasoft Computer Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in USD)

		31 March 2023	31 March 2022
16	**Employee benefits expense**		
	Salaries, wages and incentives	**14,827,473**	15,540,924
	Share based compensation to employees	**257,816**	101,527
	Staff welfare expenses	**20,395**	26,661
		15,105,684	15,669,112
17	**Finance costs**		
	Interest expense	**538**	14
		538	14
18	**Other expenses**		
	Travel and overseas expenses (net)	**499,805**	360,436
	Cost of service delivery (net)	**19,270,675**	22,227,949
	Cost of professional sub-contracting (net)	**1,108,680**	1,535,206
	Rent	**334**	753
	Rates and taxes	**2,438**	5,708
	Communication expenses (net)	**1,832**	76,400
	Legal and professional fees	**65,694**	112,321
	Bad debts written off	**67,963**	-
	Provision for doubtful debts and advances (net)	**(35,406)**	-
	Miscellaneous expenses (net)	**69,003**	89,024
		21,051,018	24,407,797

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 2023

(Amount in USD)

19 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.

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2022-23 (USD)	Balance as at 31 March 2023 (USD)	Amount of transaction 2021-22 (USD)	Balance as at 31 March 2022 (USD)
1	**Birlasoft Limited, India**				
	Advance given (net)	**(6,470)**	**(31,454)**	(20,789)	(52,139)
	Reimbursement of expenses	**(271,996)**		(116,210)	
	Software service charges	**14,750,616**	**(2,157,771)**	14,789,961	(2,127,656)
	Sale of software services	**1,707**	**8**	17,266	17,266
2	**Birlasoft Technologies Canada Corporation**				
	Software service charges	**60,552**	**(20,877)**	303,072	(153,288)
	Sale of software services	**373,394**	**9,773**	384,737	241,842
	Investments	**-**	**1**	-	1
3	**Birlasoft Solutions Inc.**				
	Sale of software services	**7,750,050**	**13,517,034**	7,995,983	7,996,296
	Software service charges	**2,978,988**	**(5,905,083)**	4,642,933	(2,926,095)
	Advance given (net)	**444,411**	**7,368**	170,922	54,684
	Reimbursement of expenses	**-**		10,183	
4	**Birlasoft Solutions France**				
	Software service charges	**-**	**-**	31,878	2,295
5	**Birlasoft Solutions ME FZE (Australia Branch)**				
	Sale of software services	**-**	**3,158**	-	-
6	**Birlasoft Consulting Inc.**				
	Sale of software services	**4,341**	**7,449**	3,108	3,108
	Software service charges	**394,056**	**(77,656)**	677,113	(398,542)
	Advance given (net)	**(15,792)**	**1,182**	-	-
	Reimbursement of expenses	**-**		-	
7	**Birlasoft Solutions GmbH**				
	Sale of software services	**-**	**-**	5	107,086
	Software service charges	**-**	**-**	125,067	(56,279)
	Advance given (net)	**(10,620)**	**-**	-	-
8	**Birlasoft Solutions Limited (UK)**				
	Advance given (net)	**(24,333)**	**(24,333)**	-	-
	Software service charges	**673,739**	**(1,475,211)**	1,153,374	(801,472)
	Sale of software services	**610,829**	**950,073**	339,244	339,244
9	**Birlasoft (UK) Limited**				
	Software service charges	**11,905**	**(1)**	96,941	-

Birlasoft Computer Corporation

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

for the year ended 31 March 2023

(Amount in USD)

19 Related party transactions *(continued)*

B. Transactions with related parties

Sr. no.	Nature of transaction	Amount of transaction 2022-23 (USD)	Balance as at 31 March 2023 (USD)	Amount of transaction 2021-22 (USD)	Balance as at 31 March 2022 (USD)
10	**Birlasoft Inc.**				
	Software service charges	**534,332**	**(1,067,935)**	699,260	(533,602)
	Sale of software services	**700,706**	**100,667**	535,815	352,552
	Reimbursement of expenses	**(88,163)**	**(8,808)**	(120,936)	(27,987)
11	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Software service charges	**363**	**-**	28,837	(32,650)
	Sale of software services	**-**	**117,439**	117,439	117,439

20 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2023 (31st March 2022 - Nil).

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

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

Place - Pune
Date - 08 May 2023

Angan Guha
Director

Birlasoft Technologies Canada Corporation

Registered Office: 8120-128 Street, Surrey BC V3W 1R1, Canada.

Board's Report

Dear Members,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2023.

Financial Results

Particulars	2022-23 CAD (Million)	2021-22 CAD (Million)
Total Income	21.34	22.91
Net Profit / (Loss) for the period	0.66	1.87

Operations

During the year under review, total income of the Company has decreased by 6.85 % which resulted in net profit of CAD 0.66 million.

Board of Directors

During the year under review, there were changes in the composition of the Board of Directors of the Company. Mr. Dharmander Kapoor resigned as the Director & Chairman effective end of business hours of November 30, 2022 and Mr. Inder Raj Singh Ghai resigned as a Director & President of the Company effective end of business hours of December 15, 2022. Mr. Angan Guha was appointed as the Director & Chairman effective December 6, 2022 and Mr. Nitesh Mirchandani was appointed as the Director & President of the Company effective January 10, 2023.

The current Directors of the Company are Mr. Angan Guha, Ms. Indu Nangia and Mr. Nitesh Mirchandani.

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

Pune
May 8, 2023

Angan Guha
Director

Birlasoft Technologies Canada Corporation

Balance Sheet

as at 31 March 2023

(Amount in CAD)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Financial assets			
Loans	**2**	**9,174,990**	11,496,100
Other financial assets	**3**	**135**	135
Income tax assets (net)		-	90,723
Deferred tax assets (net)	**4**	-	13,609
		9,175,125	11,600,567
Current assets			
Financial assets			
Trade receivables			
Billed	**5**	**7,500,086**	6,208,727
Unbilled		**358,035**	1,373,356
Cash and cash equivalents	**6**	**4,237,785**	2,828,045
Other financial assets	**7**	**1,089**	1,089
Other current assets	**8**	**141,499**	266,455
		12,238,494	10,677,672
TOTAL ASSETS		**21,413,619**	22,278,239
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**9**	**1**	1
Other equity		**19,145,568**	18,479,777
Total equity		**19,145,569**	18,479,778
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	**10**	**950,057**	2,718,404
Other financial liabilities	**11**	**253,813**	301,638
Other current liabilities	**12**	**230,900**	482,472
Provisions	**13**	**374,486**	195,774
Income tax liabilities (net)		**458,794**	100,173
		2,268,050	3,798,461
TOTAL EQUITY AND LIABILITIES		**21,413,619**	22,278,239
Significant accounting policies	**1**		
Notes referred to above form an integral part of the financial statements	**2-20**		

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

Angan Guha	**Indu Nangia**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

Birlasoft Technologies Canada Corporation
Statement of Profit and Loss
for the year ended 31 March 2023

(Amount in CAD)

	Note	31 March 2023	31 March 2022
Revenue from operations	14	**20,992,040**	22,889,654
Other income (net)	15	**350,584**	21,552
Total income		**21,342,624**	22,911,206
Expenses			
Employee benefits expense	16	**7,958,383**	5,407,251
Other expenses	17	**11,851,783**	14,840,045
Total expenses		**19,810,166**	20,247,296
Profit before tax		**1,532,458**	2,663,910
Tax expense			
Current tax		**853,058**	806,261
Deferred tax (benefit)/charge		**13,609**	(13,609)
Total tax expense		**866,667**	792,652
Profit for the year		**665,791**	1,871,258
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-20		

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

Angan Guha	**Indu Nangia**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

Birlasoft Technologies Canada Corporation

Statement of Cash Flows

for the year ended 31 March 2023

(Amount in CAD)

		31 March 2023	31 March 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	**665,791**	1,871,258
	Adjustments for		
	Income tax expense	**866,667**	792,652
	Interest income	**(283,397)**	(156,722)
	Provision for doubtful debts and advances (net)	**(68,706)**	119,234
	Unrealised foreign exchange loss/(gain)	**41,509**	-
	Operating Profit before working capital changes	**1,221,864**	2,626,422
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	**(221,036)**	(1,735,982)
	Loans, other financials assets and other assets	**124,956**	137,177
	Trade Payables	**(1,796,152)**	2,078,304
	Other financial liabilities, other liabilities and provisions	**(120,685)**	(545,946)
	Cash generated from operations	**(791,053)**	2,559,975
	Income taxes paid	**(403,714)**	(500,880)
	Net cash generated from operating activities (A)	**(1,194,767)**	2,059,095
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Repayment of loans given to related party	**2,321,110**	5,353,280
	Loans given to Related Party	**-**	(11,496,100)
	Interest received	**283,397**	156,722
	Net cash used in investing activities (B)	**2,604,507**	(5,986,098)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net cash used in financing activities (C)	**-**	-
	Net Increase/ (decrease) in cash and cash equivalents (A + B+ C)	**1,409,740**	(3,927,003)
	Cash and cash equivalents at end of the year (Refer note 1 below)	**4,237,785**	2,828,045
	Cash and cash equivalents at beginning of the year (Refer note 1 below)	**2,828,045**	6,755,048
	Net Increase/ (decrease) in cash and cash equivalents	**1,409,740**	(3,927,003)

Note 1 :

Cash and cash equivalents include:

	31 March 2023	31 March 2022
Balance with banks		
- In current accounts	**4,237,529**	2,028,045
- In deposit accounts (with original maturity of 3 months or less)	**256**	800,000
Total Cash and cash equivalents	**4,237,785**	2,828,045

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	**Indu Nangia**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

-

Birlasoft Technologies Canada Corporation

Statement of changes in equity

for the year ended 31 March 2023

(Amount in CAD)

A	Equity share capital	Amount
	Balance as at 01 April 2021	**1**
	Changes in equity share capital during 2021-22	-
	Balance as at 01 April 2022	**1**
	Changes in equity share capital during 2022-23	**-**
	Balance as at 31 March 2023	**1**

B Other equity

	Retained earnings	Total
Balance as on 01 April 2021	**16,608,519**	**16,608,519**
Profit for the year	1,871,258	**1,871,258**
Balance as on 01 April 2022	**18,479,777**	**18,479,777**
Profit for the year	665,791	**665,791**
Balance as on 31 March 2023	**19,145,568**	**19,145,568**

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

Angan Guha	**Indu Nangia**
Director	Director
Place - Pune	Place - New Jersey
Date - 08 May 2023	Date - 08 May 2023

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements

for the year ended 31 March 2023

Company Overview:

Birlasoft Technologies Canada Corporation ("the Company") is a Company incorporated in British Columbia, Canada on September 7, 2007. The Company is a wholly owned subsidiary of Birlasoft Computer Corporation, USA . The ultimate holding company is Birlasoft Limited, India.

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

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The 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 atleast 12 months after the reporting date.

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

Liability

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

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

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

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

1.3 Revenue recognition:

The 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.

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.

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.

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.

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)

for the year ended 31 March 2023

(Amount in CAD)

		31 March 2023	31 March 2022
2	**Loans**		
	(Unsecured, considered good unless otherwise stated)		
	Loans Receivable from related parties (Refer note 18)		
	-Birlasoft Solutions Limited	**9,174,990**	11,496,100
		9,174,990	11,496,100
3	**Other financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	Security deposits	**135**	135
		135	135
4	**Deferred tax assets (net)**		
	Deferred tax assets		
	-R&D Credit	**-**	13,609
	Net deferred tax asset	**-**	13,609

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in CAD)

		31 March 2023	31 March 2022
5	**Trade receivables**		
	(Unsecured)		
	Trade Receivables considered good	**7,500,086**	6,208,727
	Trade Receivables - credit impaired	**167,571**	136,694
		7,667,657	6,345,421
	Less: Allowances for bad and doubtful trade receivables	**167,571**	136,694
		7,500,086	6,208,727
6	**Cash and bank balances**		
	Balances with banks		
	- In current accounts	**4,237,529**	2,028,045
	- In deposit accounts(with original maturity of 3 months or less)	**256**	800,000
		4,237,785	**2,828,045**
7	**Other current financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	- Security deposits	**1,089**	1,089
		1,089	1,089
8	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Contract assets -from fixed price contracts	**44,743**	222,722
	Advance to suppliers	**77,233**	10,015
	Employee advances	**13,771**	15,597
	Balances with statutory authorities	**4,612**	9,650
	Prepaid expenses	**1,140**	1,140
	Other receivables from related party	**-**	7,331
		141,499	266,455

Birlasoft Technologies Canada Corporation
Notes forming part of the financial statements (continued)
for the year ended 31 March 2023

(Amount in CAD)

		31 March 2023	31 March 2022
9	**Equity share capital**		
	Issued subscribed and fully paid up:		
	100 (31 March 2022 : 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)
for the year ended 31 March 2023

(Amount in CAD)

		31 March 2023	31 March 2022
10	**Trade payables**		
	Total outstanding dues of trade payables	**950,057**	2,718,404
		950,057	2,718,404
11	**Other current financial liabilities**		
	Accrued employee costs	**252,132**	297,175
	Payable to related party	**1,681**	4,463
		253,813	301,638
12	**Other current liabilities**		
	Unearned revenue	**2,433**	117,785
	Advances from customers	**16,659**	571
	Statutory remittances	**211,808**	364,116
		230,900	482,472
13	**Provisions - current**		
	Provision for employee benefits		
	- Compensated Absences	**374,486**	195,774
		374,486	195,774

(Amount in CAD)

		31 March 2023	31 March 2022
14	**Revenue from operations**		
	Software services	**20,992,040**	22,889,654
		20,992,040	22,889,654
15	**Other income**		
	Interest income	**283,397**	156,722
	Foreign exchange gain (net)	**67,187**	(136,271)
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	**-**	1,101
		350,584	21,552

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

(Amount in CAD)

		31 March 2023	31 March 2022
16	**Employee benefits expense**		
	Salaries, wages and incentives	**7,938,993**	5,394,380
	Share based compensation to employees	**10,434**	8,831
	Staff welfare expenses	**8,956**	4,040
		7,958,383	5,407,251
17	**Other expenses**		
	Travel and overseas expenses (net)	**149,218**	97,799
	Cost of service delivery (net)	**11,279,131**	12,323,439
	Cost of professional sub-contracting (net)	**419,778**	2,025,490
	Recruitment and training expenses	**26,900**	11,074
	Rent	**13,730**	13,680
	Insurance	**12,910**	5,734
	Rates and taxes	**-**	74,090
	Communication expenses (net)	**10,783**	853
	Legal and professional fees	**-**	164,018
	Provision for doubtful debts and advances (net)	**(68,706)**	119,234
	Miscellaneous expenses (net)	**8,039**	4,634
		11,851,783	14,840,045

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 2023

18 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 (Netherlands Branch)

B. Transactions with related parties

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (CAD)	**Balance as on 31 March 2023 Debit/(Credit) (CAD)**	**Amount of transactions during the year (CAD)**	**Balance as on 31 March 2022 Debit/(Credit) (CAD)**
1	**Birlasoft Limited, India**				
	Sale of Software Services	120	120	-	-
	Software service charges	10,269,580	(578,999)	9,775,843	(1,080,556)
	Advance taken (net)	(51,559)	(1,681)	(35,283)	7,331
	Reimbursement of expenses (net)	(14,911)		41,896	
2	**Birlasoft Computer Corporation, USA**				
	Sale of Software Services	79,811	28,174	375,238	191,660
	Software service charges	482,994	(13,151)	481,227	(304,993)
	Advance received (net)	120,147	-	-	-
3	**Birlasoft Solutions Inc.**				
	Sale of Software Services	2,759,677	4,530,411	2,310,412	1,788,959
	Software service charges	474,783	(35,598)	866,807	(278,577)
	Repayment of loan given	-	-	5,507,751	-
	Interest Income	-	-	154,471	
	Reimbursement of expenses (net)	-	-	(4,463)	(4,463)
4	**Birlasoft Solutions ME FZE.**				
	Sale of Software Services	-	9,153	-	-
	Software service charges	89,962	(157,450)	105,795	(67,495)
5	**Birlasoft Inc.**				
	Sale of Software Services	1,701,000	268,987	1,307,541	871,414
	Software service charges	79,575	(12,722)	206,108	(141,560)
6	**Birlasoft Consulting Inc**				
	Sale of Software Services	221,993	11,267	254,424	166,049
	Software service charges	193,857	(44,126)	180,365	(110,422)
7	**Birlasoft Solutions Limited,UK**				
	Software service charges	314,736	(8,338)	947,213	(539,802)
	Sale of Software Services	192,217	114,411	152,742	152,742
	Interest income	(283,116)	9,174,990	-	11,496,100
	Loan given	(2,321,110)		11,496,100	
8	**Birlasoft Solutions GmbH**				
	Software service charges	50,916	1,630	28,860	(28,860)
	Sale of Software Services	130,999	379,942	136,059	248,943
9	**Birlasoft Solutions Mexico S.A. DE C.V.**				
	Sale of Software Services	74,959	103,340	28,381	28,381
	Software service charges	-	(28)	28	(28)
10	**Birlasoft (UK) Limited, Netherland**				
	Advance received (net)	-	-	1,992	-

Birlasoft Technologies Canada Corporation

Notes forming part of the financial statements (continued)

for the year ended 31 March 2023

18 Related party disclosures (continued)

B. Transactions with related parties (continued)

No.	Name of related party	FY 2022-23		FY 2021-22	
		Amount of transactions during the year (CAD)	Balance as on 31 March 2023 Debit/(Credit) (CAD)	Amount of transactions during the year (CAD)	Balance as on 31 March 2022 Debit/(Credit) (CAD)
11	**Birlasoft (UK) Limited**				
	Software service charges	2,318	446	-	-
	Sale of Software Services	120	120	-	-

19 Contingent Liabilities

The company has no liabilities of contingent nature outstanding as on 31 March 2023 (previous year 31 March 2022 - nil)

20 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

Place - Pune
Date - 08 May 2023

Indu Nangia
Director

Place - New Jersey
Date - 08 May 2023

<u>BIRLASOFT SDN. BHD.</u>

(Incorporated in Malaysia)

Reports and Financial Statements
31 March 2023

SBY PARTNERS PLT
Reg. No: 202106000003 (LLP0026726-LCA) AF:0660
Chartered Accountants

BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

Reports and Financial Statements
31 March 2023

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BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the company for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the company are engaged in software development and information technology consultancy services. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM
Profit for the financial year	260,402

In the opinion of the directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures by the company during the financial year.

OPTIONS

No option has been granted during the financial year to take up unissued shares of the company.

DIRECTORS

The directors in office since the beginning of the financial year to the date of this report are:

Deepathayyil Vachali (f)
Raghvendra Mittal
Rajan Mittal
Sangram Tukaram Kadam
Sayersilan A/L Periannan

DIRECTORS' INTERESTS

As the company is a wholly-owned subsidiary of *Birlasoft Limited*, under Section 59(3) of the Companies Act 2016 in Malaysia, the interests in the shares of the company of all the directors, who are also directors of the holding company, are disclosed in the Directors' Report of the holding company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS' REMUNERATION

None of the directors of the company have received any remunerations from the company during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or liability insurance effected, for any directors, officers or auditors of the company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts inadequate to any substantial extent in the financial statements of the company or necessitate to make any allowance for doubtful debts; or

(b) which would render the values attributed to current assets in the financial statements of the company misleading; or

(c) not otherwise dealt with in this report or financial statements of the company which would render any amount stated in the financial statements misleading; or

(d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the company for the financial year in which this report is made.

HOLDING COMPANY

The directors regard *Birlasoft Limited*, a company incorporated and domiciled in India, as the company's holding company.

AUDITORS

The details of the auditors' remuneration for the financial year ended 31 March 2023 amounted to RM5,000.

The auditors, Messrs SBY Partners PLT, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

SAYERSILAN A/L PERIANNAN
Director

DEEPATHAYYIL VACHALI
Director

Kuala Lumpur,
Date:

BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 10 to 26 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the company as at 31 March 2023 and of the financial performance and cash flows of the company for the financial year ended on that date.

Signed in Kuala Lumpur on

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

SAYERSILAN A/L PERIANNAN

DEEPATHAYYIL VACHALI

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Sayersilan A/L Periannan, being the director primarily responsible for the financial management of Birlasoft Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 10 to 26 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, Sayersilan A/L Periannan at Kuala Lumpur on

SAYERSILAN A/L PERIANNAN

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BIRLASOFT SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Birlasoft Sdn. Bhd., which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 26.

In our opinion, the accompanying financial statements give a true and fair view of financial position of the company as at 31 March 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the company and our auditors' report thereon.

Our opinion on the financial statements of the company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the company are responsible for the preparation of financial statements of the company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements of the company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the company, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the member of the company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SBY PARTNERS PLT
Reg. No: 202106000003 (LLP0026726-LCA) AF: 0660
Chartered Accountants

SUKHPAL SINGH A/L KAUR SINGH
03494/05/2024 J
Chartered Accountant

Kuala Lumpur,
Date: 2 May 2023

BIRLASOFT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-Current Asset			
Property, plant and equipment	*4*	-	-
Current Assets			
Trade and other receivables	*5*	2,220,568	1,018,736
Other asset	*6*	-	1,520
Current tax assets		106,688	-
Bank balances		2,214,119	870,959
		4,541,375	1,891,215
Total Assets		4,541,375	1,891,215
EQUITY AND LIABILITIES			
Equity			
Share capital	*7*	5,000	5,000
Retained profits		1,748,624	1,488,222
Total Equity		1,753,624	1,493,222
Liabilities			
Current Liabilities			
Trade and other payables	*8*	2,557,196	355,686
Other liabilities	*9*	230,555	14,025
Amount owing to holding company	*10*	-	5,941
Current tax liabilities		-	22,341
Total Liabilities		2,787,751	397,993
Total Equity and Liabilities		4,541,375	1,891,215

The accompanying notes form an integral part of the financial statements.

BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 March 2023

	Note	2023 RM	2022 RM
REVENUE	*11*	4,822,386	1,466,136
COST OF SALES		(4,222,403)	(1,007,283)
GROSS PROFIT		599,983	458,853
OTHER OPERATING EXPENSES		(246,935)	(78,733)
PROFIT BEFORE TAXATION	*12*	353,048	380,120
INCOME TAX EXPENSE	*13*	(92,646)	(96,464)
NET PROFIT, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		260,402	283,656

The accompanying notes form an integral part of the financial statements.

BIRLASOFT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2023

	Non - distributable	*Distributable*	
	Share capital	Retained profits	Total
	RM	RM	RM
At 1 April 2021	5,000	1,204,566	1,209,566
Total comprehensive income for the financial year	-	283,656	283,656
At 31 March 2022/1 April 2022	5,000	1,488,222	1,493,222
Total comprehensive income for the financial year	-	260,402	260,402
At 31 March 2023	5,000	1,748,624	1,753,624

The accompanying notes form an integral part of the financial statements.

BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2023

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	353,048	380,120
Adjustments for:		
Bad debts written off	-	1,997
Gain on foreign exchange - unrealised	-	-
Operating profit before working capital changes	353,048	382,117
Increase in trade and other receivables	(1,201,832)	(688,709)
Decrease in other asset	1,520	120,781
Increase in trade and other payables	2,201,510	241,334
Increase/(decrease) in other liabilities	216,530	(33,656)
Cash generated from operating activities	1,570,776	21,867
Tax refunded	-	25,488
Tax paid	(221,675)	(34,526)
Net cash generated from operating activities	1,349,101	12,829
CASH FLOWS FROM INVESTING ACTIVITY	-	-
CASH FLOWS FROM FINANCING ACTIVITY		
(Repayment to)/Advance from holding company	(5,941)	5,941
Net increase in cash and cash equivalents	1,343,160	18,770
Cash and cash equivalents at the beginning of the financial year	870,959	852,189
Cash and cash equivalents at the end of the financial year	2,214,119	870,959
Cash and cash equivalents comprise:		
Bank balances	2,214,119	870,959

The accompanying notes form an integral part of the financial statements.

BIRLASOFT SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2023

1. GENERAL INFORMATION

The company is a private limited company, incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business of the company is Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activities of the company are engaged in software development and information technology consultancy services.

The holding company is *Birlasoft Limited*, a company incorporated and domiciled in India.

2. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Preparation

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements, which are presented in Ringgit Malaysia ("RM") have been prepared on the historical cost basis, except as disclosed in the accounting policies as set out below.

(b) Property, Plant And Equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	%
Computers	33

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss.

(c) Impairment Of Non-Financial Assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods.

A reversal of an impairment loss is recognised immediately in profit or loss.

(d) Foreign Currency Transaction

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

(e) Financial Assets

Financial assets are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

(i) Financial Assets At Fair Value Through Profit Or Loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial Assets That Are Debt Instruments Measured At Amortised Cost

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

(iii) Financial Assets That Are Equity Instruments Measured At Cost Less Impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

Impairment Of Financial Assets

At the end of each reporting period, the company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidences could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expired, or are settled, or the company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

(f) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B of Section 22 of the MPERS, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

(g) Financial Liabilities

Financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

(i) Financial Liabilities Measured At Fair Value Through Profit Or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial Liabilities Measured At Amortised Cost

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

(iii) Loan Commitments Measured At Cost Less Impairment

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Provisions For Liabilities

A provision is recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

(i) Revenue Recognition

Revenue in respect of rendering of services is recognised when the stage of completion at end of each reporting period and the cost incurred can be reliably measured. The stage of completion is determined by the completion of physical proportion of the services transactions.

(j) Interest income

Interest income is recognised on accrual basis using the effective interest method.

(k) Income Tax Expense

Income taxes for the financial year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each end of the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(l) Cash And Cash Equivalents

Cash comprises cash and bank balances including bank overdrafts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(m) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity):

(i) a person or a close member of that person's family is related to a reporting entity if that person:
  a. is a member of the key management personnel of the reporting entity or of a holding company of the reporting entity;
  b. has control or joint control over the reporting entity; or
  c. has significant influence over the reporting entity.

(ii) an entity is related to a reporting entity if any of the following conditions applies:
  a. the entity and the reporting entity are members of the same group (which means that each holding company, subsidiary company and fellow subsidiary company is related to the others).
  b. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  c. both entities are joint ventures of the same third entity.
  d. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  e. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  f. the entity is controlled or jointly controlled by a person identified in (i).
  g. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
  h. a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation Of Property, Plant And Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The company anticipates that the residual values of these property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of property, plant and equipment is disclosed in *Note 4*.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of current tax assets is RM106,688 (2022: current tax liabilities RM22,341).

4. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	Computers
	RM
Cost	
At 1 April 2022/31 March 2023	8,699
Accumulated depreciation	
At 1 April 2022/31 March 2023	8,699
Net carrying amount	
At 31 March 2023	-
At 31 March 2022	-

5. TRADE AND OTHER RECEIVABLES

	2023	2022
	RM	RM
Trade receivables	1,953,250	1,018,736
Other receivables		
- Related party	14,254	-
- Third parties	253,064	-
	2,220,568	1,018,736

The company's normal trade credit terms granted to the trade receivables is 60 days (2022: 60 days). Other credit terms are assessed and approved on a case-by-case basis.

6. OTHER ASSET

	2023	2022
	RM	RM
Prepayment	-	1,520

7. SHARE CAPITAL

	2023	2022	2023	2022
	Number of ordinary shares		RM	RM
Issued share capital	5,000	5,000	5,000	5,000

The holders of the ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the company's residual assets.

8. TRADE AND OTHER PAYABLES

	2023 RM	2022 RM
Trade payables		
- Holding company	2,349,238	314,303
Other payables		
- Third parties	207,958	41,383
	2,557,196	355,686

The credit term of trade payables to holding company is 180 days (2022: 180 days).

9. OTHER LIABILITIES

	2023 RM	2022 RM
Accruals	230,555	14,025

10. AMOUNT OWING TO HOLDING COMPANY

In previous financial year, the amount owing to holding company was unsecured, interest free and repayable on demand.

11. REVENUE

Revenue represents the invoiced value of services rendered, net of discounts.

12. PROFIT BEFORE TAXATION

	2023 RM	2022 RM
Profit before taxation is stated *after charging:*		
Auditors' remuneration		
- current year provision	5,000	4,500
- under provision in respect of prior year	-	102
Bad debts written off	-	1,997
Loss on foreign exchange - realised	2,756	20,812
Rental of premises		
- current year expense	-	1,400
- over provision in respect of prior year	-	(5,600)

13. INCOME TAX EXPENSE

	2023 RM	2022 RM
Malaysian income tax:		
- current year provision	84,731	91,155
- under provision in respect of prior year	7,915	5,309
	92,646	96,464

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2023 RM	2022 RM
Profit before taxation	353,048	380,120
Income tax expense at Malaysian statutory tax rate of 24% (2022: 24%)	84,731	91,229
• Adjustments for the following tax effects:		
- expenses not deductible for tax purposes	-	135
- utilised of deferred tax asset not recognised in prior year	-	(209)
	-	(74)
• Under provision of current income tax in respect of prior year	7,915	5,309
	92,646	96,464

The amounts of temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	2023 RM	2022 RM
Excess of accumulated depreciation over corresponding capital allowances claimed	869	869

14. RELATED PARTY TRANSACTIONS

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel comprise the directors and management personnel of the company, having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly.

(b) Related company/party transactions

The related company/party transactions of the company are shown below. The balances related to these transactions are shown in *Note 8* and *10* respectively.

	2023 RM	2022 RM
i. Transactions with holding company		
- Services received	3,968,762	1,017,663
- Management fee	3,484	6,627
ii. Transactions with fellow subsidiary companies		
- Sales	126,214	-
- Services received	10,102	-
iii. Transactions with company in which the directors of the company have substantial financial interest		
- Sales	2,142,025	213,725
- Services received	16,400	22,100
- IPR fees	1,798	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(c) Compensation of key management personnel

The company does not has any key management compensation during the financial year.

15. CATEGORIES OF FINANCIAL INSTRUMENTS

	2023	2022
	RM	RM
Financial assets:		
Measured at amortised cost		
Trade and other receivables	2,220,568	1,018,736
Bank balances	2,214,119	870,959
	4,434,687	1,889,695
Financial liabilities:		
Measured at amortised cost		
Trade and other payables	2,557,196	355,686
Amount owing to holding company	-	5,941
	2,557,196	361,627

16. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 2 May 2023 by the Board of Directors.

BIRLASOFT SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
for the financial year ended 31 March 2023

	2023	2022
	RM	RM
REVENUE	4,822,386	1,466,136
Less: COST OF SALES		
Cost of offshore projects	3,968,762	1,017,825
Cost of onerous contract	212,955	-
Medical insurance		
- over provision in respect of prior year	-	(10,542)
Project direct cost	40,686	-
	4,222,403	1,007,283
GROSS PROFIT	599,983	458,853
Less: OPERATING EXPENSES		
Auditors' remuneration		
- current year provision	5,000	4,500
- under provision in respect of prior year	-	102
Bank charges	329	212
Bad debts written off	-	1,997
Corporate brand expenses	1,798	-
Loss on foreign exchange - realised	2,756	20,812
Management fee	-	6,627
Postage and courier	345	252
Professional fees	183,706	45,654
Rental of premises		
- current year expenses	-	1,400
- over provision in respect of prior year	-	(5,600)
Salaries	3,484	-
Service charge	10,103	-
Subscription fees	1,520	2,777
Service tax	3,482	-
Visa card expenses	34,412	-
	246,935	78,733
PROFIT BEFORE TAXATION	353,048	380,120

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 2023

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. Sangram Tukaram Kadam Mr. Elson Varghese Mattappadom
Directors	:	Mr. Sangram Tukaram Kadam 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 2023.

Principal activities

The activity of the establishment as per service license are information technology consultants and IT infrastructure. During the year also, the establishment was engaged in providing software and IT infrastructure services.

Financial results

The establishment has achieved revenue of AED 3,914,625 for the year ended 31 March 2023 (31 March 2022: revenue is AED 5,776,324). The net loss for the year is AED 867,459 (31 March 2022: net loss of AED 885,408). 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. Sangram Tukaram Kadam and Mr. Elson Varghese Mattappadom are appointed as the managers of the establishment. Mr. Sangram Tukaram Kadam and Mr. Angan Arun Guha are appointed as the directors of the establishment.

As per the shareholder resolution dated 06 December 2022, Mr. Dharmander Kapoor, the former Director, has been relieved of his duties and a new director, Mr. Angan Arun Guha, has been appointed to the position. Application for the amendment of the Director in the Memorandum of Association has been submitted to the Dubai Airport Freezone Authority and is currently under process.

Auditors

Koya Chartered Accountants were the auditors of the establishment for the year ended 31 March 2023 and they express their willingness to continue as auditors for the year ending 31 March 2024.

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.

Sangram Tukaram Kadam
Managing Director
Birlasoft Solutions ME FZE

18 April 2023

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 2023, 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 2023, 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.

<u>Independent auditor's report to the shareholder of Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E (continued)</u>

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.

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.

<u>Independent auditor's report to the shareholder of Birlasoft Solutions ME FZE, Dubai Airport Free Zone, Dubai - U.A.E (continued)</u>

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
19 April 2023
Dubai, U.A.E

Birlasoft Solutions ME FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates

Statement of financial position as at 31 March 2023

	Notes	31.03.2023 AED	31.03.2022 AED
Assets			
Non-current assets			
Property, plant and equipment	5	4,969	9,227
Total non-current assets		4,969	9,227
Current assets			
Due from related parties	6	2,941,639	3,319,828
Accounts and other receivables	7	1,868,790	743,321
Cash and bank balances	8	4,062,133	5,735,291
Total current assets		8,872,562	9,798,440
Total assets		**8,877,531**	**9,807,667**
Equity and liabilities			
Equity			
Share capital	1	1,000,000	1,000,000
Retained earnings		6,741,334	7,608,793
Shareholders' current account	9	185,661	185,661
Total equity		7,926,995	8,794,454
Non-current liabilities			
Provision for employees' end of service benefits	10	421,845	363,025
Total non-current liabilities		421,845	363,025
Current liabilities			
Due to related parties	6	177,413	189,279
Accounts and other payables	11	351,278	460,909
Total current liabilities		528,691	650,188
Total liabilities		950,536	1,013,213
Total equity and liabilities		**8,877,531**	**9,807,667**

These financial statements for the year ended March 31, 2023 were approved on 18 April, 2023 by:

For Birlasoft Solutions ME FZE

Sangram Tukaram Kadam
Managing 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 2023

	Notes	31.03.2023 AED	31.03.2022 AED
Revenue	12	3,914,625	5,776,324
Cost and operating expense	13	(2,253,468)	(3,993,380)
Staff cost		(1,464,525)	(1,925,927)
General and administrative expenses	14	(563,044)	(606,799)
Foreign exchange loss		(377,378)	(288,131)
Bad debt		(123,697)	-
Other income	15	28	152,505
Loss for the year		**(867,459)**	**(885,408)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(867,459)**	**(885,408)**

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 2023

	Share capital AED	Retained earnings AED	Shareholder's current account AED	Total AED
Balance as at 31 March 2021	1,000,000	8,494,201	185,661	9,679,862
Total comprehensive loss for the year	-	(885,408)	-	(885,408)
Balance as at 31 March 2022	**1,000,000**	**7,608,793**	**185,661**	**8,794,454**
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**

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 2023

	31.03.2023 AED	31.03.2022 AED
Cash flows from operating activities		
Net loss for the year	(867,459)	(885,408)
Adjustments for:		
Depreciation	4,258	23,241
Bad debt	123,697	
Provision for employees' end of service benefits	58,820	68,689
Cash flows before working capital changes	(680,684)	(793,478)
Changes in:		
Due from related parties	378,189	(2,962,608)
Accounts and other receivables	(1,249,166)	4,708,729
Accounts and other payables	(109,631)	(2,224,913)
Due to related parties	(11,866)	(1,557,967)
Net cash used in operating activities	(1,673,158)	(2,830,237)
Net decrease in cash and cash equivalents	(1,673,158)	(2,830,237)
Cash and cash equivalents at the beginning of the year	5,735,291	8,565,528
Cash and cash equivalents at the end of the year	**4,062,133**	**5,735,291**
Cash and cash equivalents comprise of:		
Cash at bank	**4,062,133**	**5,735,291**

The notes on pages 12 to 31 form an integral part of these financial statements.

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:

Name of the shareholder	Nationality	No. of shares	AED	%
Birlasoft Limited	Indian	1	1,000,000	100

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.

iii. **Birlasoft Solutions ME FZE, branch** registered in South Korea, as per registration No: 131181-0057655 issued on 13th June 2014. The establishment opened the branch to expand its operations in Korea and Asia Pacific region. The branch has discontinued its operations and obtained liquidation completion certificate from the authorities on 02 August 2022.

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.

1 Legal status and business activities (continued)

Management

As per the renewed service license of the establishment, Mr. Sangram Tukaram Kadam and Mr. Elson Varghese Mattappadom are appointed as the managers of the establishment. Mr. Sangram Tukaram Kadam and Mr. Angan Arun Guha are appointed as the directors of the establishment.

As per the shareholder resolution dated 06 December 2022, Mr. Dharmander Kapoor, the former director, has been relieved of his duties and a new Director, Mr. Angan Arun Guha, has been appointed to the position. Application for the amendment of the Director in the Memorandum of Association has been submitted to the Dubai Airport Freezone Authority and is currently under process.

Accounting period

These financial statements relate to the accounts for the period from 01 April 2022 to 31 March 2023.

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New standards, interpretations and amendments effective from January 1, 2022

The following new and revised IFRSs are mandatory to be applied by entities and have been adopted in these combined financial statements to the extent they are applicable.

- Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

2.2 New standards, interpretations and amendments not yet effective

The establishment has not applied the following new and revised IFRSs that have been issued but are not yet effective for annual periods beginning on or after January 1, 2022.

2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2 New standards, interpretations and amendments not yet effective (continued)

The adoption in the relevant accounting period is purely optional and will have required relevant disclosures within the financial statements.

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as current or Noncurrent
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The following amendment's effective date has been deferred indefinitely:

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3 Basis of preparation and significant accounting policies

3.1 Basis of combination

These financial statements combine the assets, liabilities and operations of Birlasoft Solutions ME FZE in U.A.E, Australia and South Korea. The significant accounting policies adopted in the preparation of these financial statements are set out below.

3.2 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to the operations of the establishment. All significant intercompany balances, transactions, income and expenses have been eliminated on consolidation.

3 Basis of preparation and significant accounting policies (continued)

3.2 Statement of compliance (continued)

The accounting policies adopted have been consistently applied in dealing with items considered material to the establishment's financial statements.

3.3 Basis of preparation

The financial statements are prepared under the historical cost convention, modified to incorporate changes to the carrying values of assets and liabilities as necessary.

3.4 Foreign currencies

3.4.1 Functional and presentation currency

The financial statements are presented in Arab Emirates Dirham (AED), which is the establishment's functional and presentation currency. The functional currencies of Birlasoft Solutions ME FZE branches in Australia and Korea are Australian dollar and South Korean Won respectively.

3.4.2 Transactions and balances

Transactions in foreign currencies are translated to AED at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to AED at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to AED at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are generally recognized in profit or loss.

3.5 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

3 Basis of preparation and significant accounting policies (continued)

3.5 Current vs non-current classification (continued)

- 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
- 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:

	Years
Air conditioning machine	10
Furniture, fixtures & fittings	8
Computer systems & peripherals	4
Leasehold Improvements	2

3 Basis of preparation and significant accounting policies (continued)

3.6 Property, plant and equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

3.7 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.

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition (continued)

- 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. 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.

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition (continued)

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.

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.

3 Basis of preparation and significant accounting policies (continued)

3.7 Revenue recognition (continued)

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 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 Basis of preparation and significant accounting policies (continued)

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.

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.

3 Basis of preparation and significant accounting policies (continued)

3.8 Financial instruments (continued)

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.

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.

3 Basis of preparation and significant accounting policies (continued)

3.8 Financial instruments (continued)

Fair value measurement: (continued)

- 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.

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 Basis of preparation and significant accounting policies (continued)

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.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise 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.

3 Basis of preparation and significant accounting policies (continued)

3.14 Leases (continued)

Establishment as a lessee (continued)

For these leases, the establishment recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

In case if the lease commitments of the establishment are in the nature of short-term leases then the lease payments made by the establishment are charged to the statement of comprehensive income.

4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

4 Significant accounting estimates (continued)

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.

Birlasoft Solutions ME FZE
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Dubai - United Arab Emirates

Notes to the financial statements (continued)
For the year ended 31 March 2023

5 Property, plant and equipment

	Air conditioning machine AED	Furniture, fixtures & fittings AED	Computer Systems & peripherals AED	Leasehold Improvements AED	Total AED
Cost					
Balance at 31 March 2021	462	232,409	296,896	17,961	547,728
Additions	-	-	-	-	-
Balance at 31 March 2022	462	232,409	296,896	17,961	547,728
Disposal	(462)	(198,339)	(286,174)	(17,961)	(502,936)
Balance at 31 March 2023	**-**	**34,070**	**10,722**	**-**	**44,792**
Accumulated depreciation					
Balance at 31 March 2021	447	201,536	295,800	17,477	515,260
Depreciation/adjustments	15	21,646	1,096	484	23,241
Balance at 31 March 2022	462	223,182	296,896	17,961	538,501
Depreciation/Disposal	(462)	(194,081)	(286,174)	(17,961)	(498,678)
Balance at 31 March 2023	**-**	**29,101**	**10,722**	**-**	**39,823**
Carrying amounts					
As at 31 March 2023	**-**	**4,969**	**-**	**-**	**4,969**
As at 31 March 2022	-	9,227	-	-	9,227

		31.03.2023 AED	31.03.2022 AED
6	**Related party transactions**		
	Due from related parties		
	From entities under common management and control		
	Birlasoft Limited, India	1,057,774	1,499,474
	Birlasoft Limited, New Zealand	993,428	1,069,233
	Birlasoft Technologies Canada Corporation, Canada	437,968	196,825
	Birlasoft (UK) Limited, United Kingdom	397,506	113,117
	Birlasoft Solutions Inc., USA	54,963	441,179
		2,941,639	3,319,828
	Due to related parties		
	To entities under common management and control		
	Birlasoft Limited, Singapore	169,078	189,279
	Birlasoft Computer Corporation, USA	4,681	-
	Birlasoft Inc., USA	3,654	-
		177,413	189,279

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:

	31.03.2023 AED	31.03.2022 AED
Revenue	1,748,905	5,395,433
Services received	1,920,633	1,071,789
IPR fees	162	-
Managerial remuneration	326,901	322,611

		31.03.2023 AED	31.03.2022 AED
7	**Accounts and other receivables**		
	Accounts receivables	247,754	236,238
	Less: allowance for doubtful debts	-	(12,531)
		247,754	223,707
	Advance from suppliers	993,661	-
	Unbilled revenue	322,093	160,635
	Prepayments	246,633	303,028
	Deposits	30,513	44,322
	Other advances and receivables	28,136	11,629
		1,868,790	743,321

7 Accounts and other receivables (continued)

Age wise analysis of accounts receivables

	31.03.2023	31.03.2022
	AED	AED
Less than 3 months	247,754	204,021
3 - 6 months	-	19,859
More than 6 months	-	12,358
	247,754	236,238

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.

	31.03.2023	31.03.2022
	AED	AED
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	12,531	12,531
Additional allowance during the year	123,697	-
Write off during the period	(136,228)	-
	-	12,531

8 Cash and bank balances

Cash at bank	3,924,500	5,597,658
Margin money deposits	137,633	137,633
	4,062,133	5,735,291

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.

		31.03.2023	31.03.2022
		AED	AED
10	**Provision for employees' end of service benefits**		
	Opening balance	363,025	294,336
	Charges for the year	58,820	68,689
		421,845	363,025
11	**Accounts and other payables**		
	Provisions and accrued expenses	327,407	442,173
	Other payable	23,871	18,736
		351,278	460,909

12 Revenue

Revenue represents income generated from providing software and IT infrastructure services. Revenue amounting to AED 322,093/- which is due but not invoiced during the financial year, is recognised as revenue as per IFRS 15 - 'Revenue from contract with customers' as all the performance obligations are met.

13 Cost and operating expense

Cost and operating expense include software service charges and project related direct expenses.

		31.03.2023	31.03.2022
		AED	AED
14	**General and administrative expenses**		
	Insurance	162,279	101,848
	Legal, visa, professional and other charges	161,273	181,908
	Rent	115,882	105,480
	Communication	31,269	35,174
	Bank charges	24,063	22,986
	Travelling and conveyance	21,530	16,637
	Membership and subscription	21,642	19,476
	Tax expense	19,707	99,287
	Depreciation	4,259	23,241
	Other expenses	1,140	762
		563,044	606,799

15 Other income

Other income represents bank interest received.

16 Financial instruments

Financial assets and liabilities

Financial assets of the establishment include cash and bank balances, due from related parties and accounts and other receivables and financial liabilities include accounts and other payables, due to related parties and other long term liabilities.

16 Financial instruments (continued)

Credit risk

Financial assets, which potentially expose the establishment to concentration of credit risk, comprise principally of bank accounts and accounts receivables. The establishment's bank accounts are placed with banks with good credit ratings.

Accounts receivables

Credit risks related to receivables are managed subject to the establishment's policy, procedures and control relating to customer credit risk management.

At each reporting date, the establishment measures expected credit losses (ECL).The establishment has recognised sufficient expected credit loss in account receivables and all other account receivables are considered to be good and collectible by the management.

Exchange risk

Currency risk related to change in exchange rate which affect payment flows in foreign currencies and valuation of liabilities in foreign currencies. The establishment regularly monitors exchange fluctuations and take such steps as may be required to cover itself.

Liquidity risk

The establishment manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The establishment maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

Interest rate risk

The establishment is not exposed to any interest rate risk as they do not have any variable interest rate financial assets/liabilities at the reporting date.

Fair value

The management believes that the fair values of the financial assets and liabilities are not materially different from their carrying amounts at the statement of financial position date.

17 Contingent liabilities and capital commitments

	31.03.2023	31.03.2022
	AED	AED
Letters of guarantee	137,633	137,633

There are no known contingent liabilities except the above and ongoing business obligations in the normal course of business against which no loss is expected.

18 Comparative amounts

Previous year amounts have been regrouped and reclassified wherever necessary to make them comparable to those of the current year.

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