Coforge

December 27, 2024

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|---|---|
| **The Manager,**<br>**Department of Corporate Services**<br>**BSE Limited**<br>Floor 25, P.J. Towers,<br>Dalal Street, Mumbai – 400 001<br>BSE Scrip code – 532541 | **The General Manager,**<br>**Department of Corporate Services**<br>**The National Stock Exchange of India Limited**<br>Exchange Plaza,<br>Plot No. C/1, G Block, Bandra Kurla Complex,<br>Bandra, Mumbai – 400 051<br>NSE Symbol – COFORGE |

**Dear Sir/Ma'am,**

**Subject: Outcome of Board Meeting – December 27, 2024, under Regulation 30 read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations")**

**Approval of the audited special purpose financial statements of the Company for six months period ended September 30, 2024, and take note of audit report**

Pursuant to Regulation 30 of the SEBI Listing Regulations, we wish to inform you that the Board of Directors, at its meeting held today on December 27, 2024, has inter alia, approved the audited special purpose financial statements of the company for six months period ended September 30, 2024, and took note of audit report, for the purpose of Scheme of Amalgamation of Cigniti Technologies Limited ("Transferor Company") with and into Coforge Limited ("Company" or "Transferee Company") and their respective shareholders and creditors ("Scheme"). The above financial statements and audit report thereon are enclosed herewith.

**Approval of the scheme of amalgamation of Cigniti Technologies Limited with and into the Coforge Limited and their respective shareholders and creditors**

The Board approved the Scheme of Amalgamation of Cigniti Technologies Limited with and into Coforge Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("Scheme"). The Scheme inter alia provides for the amalgamation of the Transferor Company with and into the Company.

The Scheme is subject to the receipt of necessary statutory and regulatory approvals, including approval of Stock Exchanges, Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and jurisdictional bench of the National Company Law Tribunal.

The Board Meeting commenced at 07:30 PM IST and concluded at 07:58 PM IST on December 27, 2024.

This disclosure is made in terms of the SEBI Listing Regulations for the information of the Exchange and Members.

The above information is also being made available on the website of the Company at www.coforge.com

We request you to take the above on record and the same be treated as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you.
Yours faithfully,

**For Coforge Limited**

BARKHA SHARMA
Digitally signed by BARKHA SHARMA
Date: 2024.12.27 22:40:27 +05'30'

**Barkha Sharma**
**Company Secretary**
**ACS No. 24060**

Encl: as above

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana, India

Tel: +91 124 681 6000

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Coforge Limited

### Report on the Special Purpose Interim Condensed Consolidated Financial Statements of Coforge Limited

### Opinion

We have audited the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Coforge Limited ("the Company" or "the Parent") and its subsidiaries ("the Parent and such subsidiaries together referred to as "Group"), which comprise the Special Purpose Interim Condensed Consolidated Balance Sheet as at September 30, 2024, the Special Purpose Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, the Special Purpose Interim Condensed Consolidated Cash Flow Statement and the Special Purpose Interim Condensed Consolidated Statement of Changes in Equity for the six months period then ended and and a summary of select explanatory notes (hereinafter referred to as the "Special Purpose Interim Condensed Consolidated Financial Statements") which are prepared in connection with the requirements of Standard Operating Procedure (SOP) on application filed under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangements for preparation of valuation report, for proposed merger of the Company with Cigniti Technologies Limited ("Merger Scheme") as explained in Note 1(B) of the Special Purpose Interim Condensed Consolidated Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Consolidated Financial Statements have been prepared in all material respects in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 – Interim Financial Reporting notified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### Basis for Opinion

We conducted our audit of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Interim Condensed Consolidated Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Interim Condensed Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Interim Condensed Consolidated Financial Statements.

S.R. Batliboi & Associates LLP
Gurugram

**Responsibilities of Management and Those Charged with Governance for the Special Purpose Interim Condensed Consolidated Financial Statements**

The Company's Board of Directors are responsible for the preparation of these Special Purpose Interim Condensed Consolidated Financial Statements are prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 34– Interim Financial Reporting specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Interim Condensed Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Special Purpose Interim Condensed Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Condensed Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Condensed Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.

S.R. Batliboi & Associates LLP
Gurugram

- 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 Group'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 Special Purpose Interim Condensed Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Special Purpose Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the condensed financial statements of such entities included in the Special Purpose Interim Condensed Consolidated Financial Statements of which we are the independent auditors. 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other matters**

We did not audit the interim financial statements and other financial information, in respect of seven subsidiaries, whose special purpose interim condensed financial statements include total assets of Rs. 6,712 million as at September 30, 2024, total revenues of Rs. 2,695 million and net cash outflows amounting to Rs. 166 million for the six months period then ended. These interim financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the amounts and disclosures of such subsidiaries is based solely on the reports of other auditors. Our opinion is not qualified in respect of this matter.

The accompanying Special Purpose Interim Condensed Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of sixteen subsidiaries, whose financial statements and other financial information reflect total assets of Rs 926 million as at September 30, 2024, and total revenues of Rs 561 million and net cash outflows of Rs 165 million for the six months period then ended. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on Special Purpose Interim Condensed Consolidated Financial Statements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

S.R. Batliboi & Associates LLP
Gurugram

The comparative financial information of the Group for the period ended September 30, 2023, included in these Special Purpose Interim Condensed Consolidated Financial Statements, are as certified by management and have not been audited by us or any other auditor.

**Other matters - Restriction on distribution and use**

The accompanying Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with the requirements of Indian Accounting Standard ("Ind AS") 34 – Interim Financial Reporting, and this report thereon is issued, solely for use by the Company for use in connection with the requirements of Standard Operating Procedure (SOP) on application filed under Regulation 37 and 59A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangement for preparation of valuation report for Merger Scheme. Accordingly, this report should not be used, referred to or distributed for any other purpose.

**For S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

S.R. Batliboi & Associates LLP
Gurugram

**per Amit Virmani**
Partner
Membership No. : 504649
UDIN: 24504649BKGTYN8434

Place: Gurugram
Date: December 27, 2024

**Coforge Limited**

**Special Purpose Interim Condensed Consolidated Balance Sheet**

(All amounts in Rs. Mn unless otherwise stated)

| Particulars | Notes | As at 30 September 2024 (Audited) [Refer 1(B)] | As at 31 March 2024 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 5,082 | 4,470 |
| Right-of-use assets | 29 | 3,351 | 2,927 |
| Capital work-in-progress | 3 | 191 | 232 |
| Goodwill | 4 | 37,839 | 11,738 |
| Other intangible assets | 4 | 12,446 | 4,395 |
| Intangible assets under development | 4 | 474 | - |
| Financial assets | | | |
| Investments | 5(v) | 28 | - |
| Trade receivables | 5(i) | 1,759 | 1,464 |
| Other financial assets | 5(ii) | 1,005 | 590 |
| Income tax assets (net) | 7 | 145 | 285 |
| Deferred tax assets (net) | 6 | 6,091 | 5,583 |
| Other non-current assets | 9 | 3,873 | 3,368 |
| **Total non-current assets** | | **72,284** | **35,052** |
| **Current assets** | | | |
| Contract assets | 8 | 2,204 | 1,791 |
| Financial assets | | | |
| Investments | 5(v) | 2,323 | - |
| Trade receivables | 5(i) | 23,972 | 18,039 |
| Cash and cash equivalents | 5(iii) | 14,935 | 3,213 |
| Other bank balances | 5(iv) | 471 | 139 |
| Other financial assets | 5(ii) | 274 | 178 |
| Other current assets | 9 | 4,547 | 2,665 |
| **Total current assets** | | **48,726** | **26,025** |
| Asset held for sale | 4(i) | 256 | - |
| **TOTAL ASSETS** | | **121,266** | **61,077** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 10 | 667 | 618 |
| Other equity | 11 | 59,118 | 35,648 |
| **Equity attributable to owners of Coforge Limited** | | **59,785** | **36,266** |
| Non-controlling interests ("NCI") | | 20,057 | 1,003 |
| **TOTAL EQUITY** | | **79,842** | **37,269** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 12(i) | - | 3,399 |
| Lease liabilities | 12(iii) | 2,573 | 2,317 |
| Trade payables | 12(iv) | 781 | 627 |
| Other financial liabilities | 12(v) | 204 | 253 |
| Employee benefit obligations | 13 | 1,334 | 1,304 |
| Deferred tax liabilities | 6 | 2,397 | 466 |
| Other non-current liabilities | 14 | 79 | 127 |
| **Total non- current liabilities** | | **7,368** | **8,493** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 12(ii) | 7,184 | 967 |
| Lease liabilities | 12(iii) | 880 | 577 |
| Trade payables | 12(iv) | 8,876 | 8,062 |
| Other financial liabilities | 12(v) | 12,584 | 2,375 |
| Employee benefit obligations | 13 | 1,088 | 417 |
| Other current liabilities | 14 | 3,444 | 2,917 |
| **Total current liabilities** | | **34,056** | **15,315** |
| **TOTAL LIABILITIES** | | **41,424** | **23,808** |
| **TOTAL EQUITY AND LIABILITIES** | | **121,266** | **61,077** |

The accompanying notes are an integral part of the Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For and on behalf of Board of Directors of **Coforge Limited**

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No.101049W/E300004

**Amit Virmani**
Partner
Membership No. 504649
Place : Gurugram
Date : 27 December 2024

**Sudhir Singh**
CEO & Executive Director
DIN: 07080613
Place : Gurugram
Date : 27 December 2024

**Gautam Samanta**
Executive Director
DIN:09157177
Place : London, UK
Date : 27 December 2024

**Saurabh Goel**
Chief Financial Officer
Place : Greater Noida
Date : 27 December 2024

**Barkha Sharma**
Company Secretary
Place : Ghaziabad
Date : 27 December 2024

S.R. Batliboi & Associates LLP Gurugram

**Coforge Limited**
**Special Purpose Interim Condensed Consolidated Statement of Profit and Loss**

(All amounts in Rs. Mn unless otherwise stated)

| Particulars | Note | For the period ended 30 September 2024 (Audited) [Refer 1(B)] | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|---|
| Revenue from operations | 15 | 54,631 | 44,972 |
| Other income | 16 | 817 | 249 |
| **Total income** | | **55,448** | **45,221** |
| | | | |
| **Expenses** | | | |
| Purchases of stock-in-trade | | 55 | 76 |
| Employee benefits expense | 17 | 33,327 | 27,943 |
| Finance costs | 18 | 629 | 540 |
| Depreciation and amortisation expense | 19 | 2,058 | 1,529 |
| Other expenses | 20 | 14,197 | 10,484 |
| **Total expenses** | | **50,266** | **40,572** |
| | | | |
| **Profit before tax** | | **5,182** | **4,649** |
| Income tax expense: | 21 | | |
| Current tax | | 1,825 | 1,430 |
| Deferred tax | | (372) | (417) |
| **Total tax expense** | | **1,453** | **1,013** |
| **Profit for the period** | | **3,729** | **3,636** |
| | | | |
| **Other comprehensive income** | | | |
| Items that may be reclassified to profit or loss | | | |
| Fair value changes on derivatives designated as cash flow hedge, net | | (471) | 338 |
| Exchange differences on translation of foreign operations | | 418 | (72) |
| Income tax relating to items that will be reclassified to profit or loss | | 121 | (83) |
| | | **68** | **183** |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post - employment benefit obligations (expenses) / income | | 60 | 1 |
| Income tax relating to items that will not be reclassified to profit or loss | | (8) | (4) |
| | | **52** | **(3)** |
| | | | |
| **Other comprehensive income for the period, net of tax** | | **120** | **180** |
| **Total comprehensive income for the period** | | **3,849** | **3,816** |
| | | | |
| **Profit is attributable to:** | | | |
| Owners of Coforge Limited | | 3,354 | 3,463 |
| Non-controlling interests | | 375 | 173 |
| | | **3,729** | **3,636** |
| | | | |
| Other comprehensive income is attributable to: | | | |
| Owners of Coforge Limited | | 85 | 179 |
| Non-controlling interests | | 35 | 1 |
| | | **120** | **180** |
| Total comprehensive income is attributable to: | | | |
| Owners of Coforge Limited | | 3,439 | 3,642 |
| Non-controlling interests | | 410 | 174 |
| | | **3,849** | **3,816** |
| | | | |
| Earnings per equity share (of Rs 10 each) attributable to owners of Coforge Limited | | | |
| Basic earnings per share (not annualised) | 31 | 51.46 | 56.64 |
| Diluted earnings per share (not annualised) | 31 | 51.11 | 55.45 |

The accompanying notes are an integral part of the Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No.101049W/E300004

**Amit Virmani**
Partner
Membership No. 504649
Place : Gurugram
Date : 27 December 2024

For and on behalf of Board of Directors of **Coforge Limited**

**Sudhir Singh**
CEO & Executive Director
DIN: 07080613
Place : Gurugram
Date : 27 December 2024

**Gautam Samanta**
Executive Director
DIN:09157177
Place : London, UK
Date : 27 December 2024

**Saurabh Goel**
Chief Financial Officer
Place : Greater Noida
Date : 27 December 2024

**Barkha Sharma**
Company Secretary
Place : Ghaziabad
Date : 27 December 2024

Coforge Limited
Special Purpose Carve out Interim Condensed Consolidated Statement of Changes of Equity

(All amounts in Rs. Mn unless otherwise stated)

a. Equity Share Capital

| Particulars | Number | Amount |
|---|---|---|
| **As at 1 April 2023** | **61,087,080** | **611** |
| Issue of Shares | 461,107 | 5 |
| **As at 30 September 2023** | **61,548,187** | **615** |
| | | |
| **As at 1 April 2024** | **61,820,992** | **618** |
| Issue of Shares | 4,872,786 | 49 |
| **As at 30 September 2024** | **66,693,778** | **667** |

b. Other Equity

| Description | Other Equity | | | | | | | | | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserves and Surplus | | | | | | Other comprehensive income | | Total other equity | | |
| | Capital Reserve | Capital Redemption Reserve | Securities Premium | Employee stock option | General Reserves | Retained Earnings | Cash Flow Hedging Reserve | Foreign Currency Translation Reserve | | | |
| **Balance at 1 April 2023** | **11** | **36** | **635** | **884** | **2,057** | **25,080** | **(192)** | **1,703** | **30,214** | **874** | **31,088** |
| Profit for the period | - | - | - | - | - | 3,463 | - | - | 3,463 | 173 | 3,636 |
| Other comprehensive income | - | - | - | - | - | 1 | 246 | (66) | 181 | 1 | 182 |
| **Total comprehensive income for the period** | - | - | - | - | - | **3,464** | **246** | **(66)** | **3,644** | **174** | **3,818** |
| Transferred from Employee Stock Option Reserve on exercise of stock options (ESOP) | - | - | 756 | (756) | - | - | - | - | - | - | - |
| Tax benefit on share based payment # (Refer note 30) | - | - | - | - | - | 396 | - | - | 396 | - | 396 |
| Shares issued on exercise of employee stock options | - | - | - | - | - | - | - | - | - | - | - |
| Shares based payments expense | - | - | - | 580 | - | - | - | - | 580 | - | 580 |
| Dividend paid | - | - | - | - | - | (2,322) | - | - | (2,322) | - | (2,322) |
| Change in fair value of NCI | - | - | - | - | - | 146 | - | - | 146 | (46) | 100 |
| Derecognition of NCI to financial liability | - | - | - | - | - | - | - | - | - | - | - |
| Dividend from subsidiary | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 30 September 2023** | **11** | **36** | **1,391** | **708** | **2,057** | **26,764** | **54** | **1,637** | **32,658** | **1,002** | **33,660** |

| Description | Other Equity | | | | | | | | | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserves and Surplus | | | | | | Other comprehensive income | | Total other equity | | |
| | Capital Reserve | Capital Redemption Reserve | Securities Premium | Employee stock option | General Reserves | Retained Earnings | Cash Flow Hedging Reserve | Foreign Currency Translation Reserve | | | |
| **Balance at 1 April 2024** | 11 | 36 | **1,909** | **420** | **2,057** | **29,373** | 9 | 1,833 | 35,648 | **1,003** | **36,651** |
| Profit for the period | - | - | - | - | - | 3,354 | - | - | 3,354 | 375 | 3,729 |
| Other comprehensive income | - | - | - | - | - | 28 | (349) | 406 | 85 | 35 | 120 |
| **Total comprehensive income for the period** | - | - | - | - | - | **3,382** | **(349)** | **406** | 3,439 | **410** | **3,849** |
| Transferred from Employee Stock Option Reserve on exercise of stock options (ESOP) | - | - | 11 | (11) | - | - | - | - | - | - | - |
| Tax benefit on share based payment # (Refer note 30) | - | - | - | - | - | 90 | - | - | 90 | - | 90 |
| Shares issued on exercise of employee stock options | - | - | - | - | - | - | - | - | - | - | - |
| Shares based payments expense | - | - | - | 422 | - | - | - | - | 422 | - | 422 |
| Dividend paid | - | - | - | - | - | (2,442) | - | - | (2,442) | - | (2,442) |
| Change in fair value of NCI | - | - | - | - | - | (4) | - | - | (4) | - | (4) |
| Derecognition of NCI to financial liability | - | - | - | - | - | - | - | - | - | (3) | (3) |
| NCI arising from acquisition of subsidiary | - | - | - | - | - | - | - | - | - | 18,767 | 18,767 |
| Dividend from subsidiary | - | - | - | - | - | - | - | - | - | (121) | (121) |
| Equity share issue through qualified institutions placement (net of expenses)(refer note no. 5(iii)) | - | - | 21,965 | - | - | - | - | - | 21,965 | - | 21,965 |
| **Balance as at 30 September 2024** | **11** | **36** | **23,885** | **831** | **2,057** | **30,399** | **(340)** | **2,239** | **59,118** | **20,057** | **79,175** |

# In certain jurisdictions, the Group is entitled to tax benefit on share based payment, over and above the share based payment expense recorded. Such tax benefit is included in equity under the head " Tax benefit on share based payment".

The accompanying notes are an integral part of the Special Purpose Interim Condensed Consolidated Financial Statements

As per our report of even date

For and on behalf of Board of Directors of Coforge Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

S.R. Batliboi & Associates LLP Gurugram

Amit Virmani
Partner
Membership No 504649
Place : Gurugram
Date : 27 December 2024

Sudhir Singh
CEO & Executive Director
DIN: 07080613
Place : Gurugram
Date : 27 December 2024

Gautam Samanta
Executive Director
DIN:09157177
Place : London, UK
Date : 27 December 2024

Saurabh Goel
Chief Financial Officer
Place : Greater Noida
Date : 27 December 2024

Barkha Sharma
Company Secretary
Place : Ghaziabad
Date : 27 December 2024

**Coforge Limited**
**Special Purpose Interim Condensed Consolidated Statement of Cash Flows**

(All amounts in Rs Mn unless otherwise stated)

| Particulars | For the period ended 30 September 2024 (Audited) [Refer 1(B)] | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before tax after exceptional items | 5,182 | 4,649 |
| **Adjustments for** | | |
| Depreciation and amortisation expense | 2,058 | 1,529 |
| (Gain)/Loss on disposal of property, plant and equipment (net) | (2) | (6) |
| Interest and finance charges | 601 | 516 |
| Employee share-based payment expense | 419 | 579 |
| Transaction cost related to acquisition | 38 | - |
| Impairment for trade receivables & contract assets (net) | 32 | 45 |
| Dividend and interest income | (460) | (34) |
| Unwinding of discount - finance income | (72) | (64) |
| | **2,614** | **2,565** |
| **Changes in operating assets and liabilities** | | |
| (Increase)/Decrease in trade receivables | (1,996) | (3,667) |
| (Increase)/Decrease in other financial assets | (133) | 8 |
| (Increase)/Decrease in other assets | (1,737) | (1,326) |
| Increase/(Decrease) in employee benefit obligations | 247 | 223 |
| (Decrease)/Increase in trade payables | (460) | 295 |
| Increase/Decrease in other liabilities | 801 | (1,220) |
| **Cash used from operations** | **(3,278)** | **(5,687)** |
| Income taxes paid | (1,666) | (1,462) |
| **Net cash inflow from operating activities** | **2,852** | **65** |
| **Cash flow from investing activities** | | |
| Purchase of property, plant and equipment | (2,370) | (1,817) |
| Proceeds from sale of property, plant and equipment | 292 | 27 |
| Acquisition of a subsidiary / operations, net of cash acquired | (9,609) | - |
| Proceeds from sale of current investments | 231 | - |
| Interest received on bank deposits | 412 | 16 |
| **Net cash (outflow) from investing activities** | **(11,044)** | **(1,774)** |
| **Cash flow from financing activities** | | |
| Proceeds from issue of shares(net of expenses) | 22,013 | 4 |
| Purchase of additional stake in subsidiaries (Refer note 5(iii) | (157) | (3,523) |
| Proceeds from borrowings | 6,218 | 6,035 |
| Repayment of borrowings | (3,716) | - |
| Payment of principal portion of lease liabilities | (365) | (238) |
| Interest paid | (846) | (591) |
| Dividends paid to the NCI | (121) | - |
| Dividends paid to the Company's shareholders | (2,438) | (2,322) |
| **Net cash inflow/(outflow) from financing activities** | **20,588** | **(635)** |
| **Net increase / (decrease) in cash and cash equivalents** | 12,396 | (2,344) |
| Cash and cash equivalents at the beginning of the period | 3,213 | 5,699 |
| Effects of exchange rate changes on cash and cash equivalents | (674) | (96) |
| **Cash and cash equivalents at the end of the period** | **14,935** | **3,259** |
| **Cash and Cash Equivalents comprise of:** | | |
| Cheques, drafts on hand | 20 | 220 |
| Balances with banks | 3,469 | 2,895 |
| Fixed deposit accounts (less than 3 months original maturity) | 11,446 | 144 |
| **Total [Refer note 5(iii)]** | **14,935** | **3,259** |

The accompanying notes are an integral part of the Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For and on behalf of Board of Directors of **Coforge Limited**

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No.101049W/E300004

S.R. Batliboi & Associates LLP Gurugram

**Amit Virmani**
Partner
Membership No. 504649
Place : Gurugram
Date : 27 December 2024

**Sudhir Singh**
CEO & Executive Director
DIN: 07080613
Place : Gurugram
Date : 27 December 2024

**Gautam Samanta**
Executive Director
DIN:09157177
Place : London, UK
Date : 27 December 2024

**Saurabh Goel**
Chief Financial Officer

Place : Greater Noida
Date : 27 December 2024

**Barkha Sharma**
Company Secretary

Place Ghaziabad
Date : 27 December 2024

**Coforge Limited**
**Notes to the Special Purpose Interim Condensed Consolidated Financial Statements**

(All amounts in Rs. Mn unless otherwise stated)

## 1(A) Background

Coforge Limited ("the Company") having its registered office at 8, Balaji Estate, Third Floor,Guru Ravi Das Marg, New Delhi 110019, is a Company limited by shares, incorporated and domiciled in India. The Company delivers services around the world directly and through its network of subsidiaries and overseas branches (collectively known as "the Group"). The Group is rendering Information Technology/ Information Technology Enabled Services ("IT / ITES") across various geographies viz Americas, Europe, Middle East and Africa, India and Asia Pacific; and is engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government. The Company is a public listed company and is listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). These Special Purpose Interim Condensed Consolidated Financial Statements (hereinafter referred as "Consolidated Financial Statements") were authorised for issue in accordance with a resolution of the Board of Directors on 27 December 2024.

## 1(B) Basis of preparation of Special Purpose Interim Condensed Consolidated Financial Statements

(i) Compliance with Ind AS

These special purpose interim condensed consolidated financial statements are prepared, in accordance with the requirements of Standard Operating Procedure (SOP) on application filed under Regulation 37 and 59A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangement for preparation of valuation report for proposed merger of the Company and Cigniti Technologies Limited ("Merger Scheme") and are in all material respects in accordance with Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Companies Act, 2013 ('the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The current period ended September 30, 2024 numbers of the Group include 3 months numbers of the Cigniti Technologies Limited and its subsidiaries ("Cigniti Group"), hence previous period numbers are not comparable.

(ii) Historical cost convention

The special purpose interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities (including derivative instruments) and put option liability that are measured at fair value;
- defined benefit plans - plan assets measured at fair value [Refer note 1 (E)(o)]; and
- share-based payments [refer note 1(E)(o)]

## 1(C ) Use of Estimates and judgements

The preparation of Consolidated financial statements in conformity with Ind AS requires the management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the consolidated financial statements. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to allowance for uncollectible trade and contract assets, impairment of goodwill and business combination. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and represent management's best estimate.

*Other areas involving critical estimates and judgements are:*

The preparation of Consolidated financial statements requires the use of accounting estimates which, by definition, may not equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the Consolidated financial statements.

Areas involving critical estimates and judgments are:

• Estimated goodwill impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment testing, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. However, such cannot be larger than an operating segment as defined in Ind AS 108 Operating Segments before aggregation.

The recoverable amount of CGUs is determined based on higher of value-in use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term revenue growth rates, weighted average cost of capital and estimated operating margins.

• Impairment of trade receivables

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Group's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

• Business combination:

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations. [Refer note 1(E)(r)].

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## 1(D) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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Goodwill arising on acquisition of control is determined as per the business combination accounting policy [Refer note 1(E)(r)]. The Group combines the Consolidated financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies / different accounting period end of subsidiaries have been changed where necessary to ensure consistency with the policies / accounting period adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) *Changes in ownership interests*

The Group treats transactions with non - controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and fair value of any consideration paid or received is recognized within equity.

When the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to profit or loss. Any investment retained is recognised at fair value.

## 1(E) Material accounting policies

### a Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). For each entity, the Group determines the functional currency and items included in the Consolidated financial statements of each entity are measured using that functional currency. Consolidated financial statements of the Group are presented in Indian Rupee (INR/Rs.), which is the parent Company's functional and the Group's presentation currency.

#### (ii) Transactions & Balances

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the daily rate which approximately equals to exchange rate at the transaction date.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period at month-end closing rate. Exchange difference on restatement as well as settlement of monetary items are recognized in the Statement of Profit and Loss.

#### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet
- income and expenses are translated at the monthly average rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold/wound up, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale/winding up.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rates.

### (b) Revenue from operations

The Group derives revenues primarily from business Information Technology services comprising of software development and related services, consulting and package implementation and from the licensing of software products offerings ("together called as software related services"). The Group's arrangements with customers for software related services are time-and-material, fixed-price, fixed capacity / fixed monthly, transaction based or multiple element contracts involving supply of hardware or software with other services. The Group classifies revenue from sale of it's own licenses and revenue from contracts where sale of hardware is a distinct performance obligation as Sale of products and the remaining software related services as Sale of services.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized 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. The Group presents revenues net of indirect taxes in its statement of Profit and loss.

In case of arrangement involving resale of third-party products or services, the Group evaluates whether the Group is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Group first evaluates whether the Group controls the good or service before it is transferred to the customer. If Group controls the good or service before it is transferred to the customer, the Group is the principal; if not, the Group is the agent.

In case of multiple element contracts, at contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost-plus margin approach in estimating the stand-alone selling price.

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*Method of revenue recognition*
Revenue on time-and material contracts are recognized over time as the related services are performed.
Revenue from fixed-price, fixed-capacity and fixed monthly contracts, where the performance obligations are satisfied over time, is recognized as per the percentage-of completion method. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.
Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group is not able to reasonably measure the progress of completion, revenue is recognized only to the extent of costs incurred, for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of income in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

Revenue from transaction based contracts is recognised at the amount determined by multiplying transaction rate to actual transactions taking place during a period.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

*Contract balances*
Revenues in excess of invoicing are treated as contract assets while invoicing in excess of revenues are treated as contract liabilities. The Group classifies amounts due from customer as receivable or contract assets depending on whether the right to consideration is unconditional. If only the passage of time is required before payment of the consideration is due, the amount is classified as receivable. Otherwise, such amounts are classified as contract assets.

Contract costs
Incremental costs of obtaining a contract and costs incurred in fulfilling a contract with customer are recognised as contract costs assets and amortized over the term of the contract on a systematic basis.

*Others*
Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis. Services that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers and penalties as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Group may be entitled and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Group assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As practical expedient, the Group does not adjust the consideration for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

**(c) Income Taxes**

Tax expense comprises current tax expense and deferred tax.
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries (including branches) operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the Consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current tax and deferred tax are recognized in statement of profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified year. Deferred tax assets on such tax credit are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future year based on the internal projections of the Management. The net amount of tax recoverable from the taxation authority is included as part of the deferred tax assets in the Consolidated financial statements.

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**(d) Leases**

**The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land, buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments.

Lease liability and ROU asset have been separately presented in the consolidated statement of financial position and lease payments have been classified as financing cash flows.

**(e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft.

Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

**(f) Investments and other financial assets**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*(i) Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, except Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115

*(ii)* Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

► Debt instruments at amortised cost
► Debt instruments at fair value through other comprehensive income (FVTOCI)
► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the entity. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through profit or loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL.
However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency, however no such designation has been made. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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*Equity instruments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The entity makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the entity decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the entity may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

*(iii) Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a entity of similar financial assets) is primarily derecognised (i.e. removed from the entity's consolidated balance sheet) when:

► The rights to receive cash flows from the asset have expired, or

► The entity 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 entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entity continues to recognise the transferred asset to the extent of the entity's continuing involvement. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

*(iv) Impairment of financial assets*

In accordance with Ind AS 109, the entity applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables, unbilled revenue/ contract assets or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

c) Financial assets that are debt instruments and measured as at FVTOCI

The entity follows 'simplified approach' for recognition of impairment loss allowance on:

► Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the entity to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

As a practical expedient, the entity uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and contract assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for contractual revenue receivables (ECL) is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the entity does not reduce impairment allowance from the gross carrying amount.

**(g) Financial liabilities**

*(i) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

*(ii) Subsequent measurement*

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

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 on 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.

**(h) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

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(All amounts in Rs. Mn unless otherwise stated)

**(i) *Other Income***

**Interest income**

Interest income is recognized using effective interest rate method taking into account the amount outstanding and the rate of Interest applicable (refer policy to investment and other financial assets).

**Dividends**

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

**Government incentives**

Government incentives are recognized where there is reasonable assurance that the incentive will be received and all attached conditions have been complied with. The incentives received under the schemes are recorded as other income.

**(j) Derivatives and hedging activities**

The Group uses derivative financial instruments viz. forward currency contracts to hedge its exposure to foreign currency risk in forecast transactions and firm commitments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss.

*Cash flow hedges*

For the purpose of hedge accounting, cash flow hedges are designated when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.
The effective portion of the gain or loss on the hedging instrument is recognised in OCI and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the forecast sale occurs.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to statement of profit and loss.

**(k) Property, plant and equipment**

Freehold land is carried at historical cost less impairment losses, if any. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation less impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 group and the cost of the item can be measured reliably. Such cost also includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses as applicable.

The cost of assets not ready for used before balance sheet date are disclosed under capital work in progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

***Depreciation methods, estimated useful lives and residual value***

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets. The estimates of useful lives of the assets are as follows:

| Asset | Useful life |
|---|---|
| Buildings | 60 years |
| Plant and Machinery: | |
| Computers and peripherals | 2-5 years |
| Office Equipment | 5 years |
| Other assets | 3-15 years |
| Furniture and Fixtures | 4-10 years |
| Leasehold improvements | 3 years or lease period whichever is lower |
| Vehicles | 8 years |

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 may differ from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.
The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

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**(l) Intangible assets**

**(i) *Goodwill***

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity / operations include the carrying amount of goodwill relating to the entity / operations sold.

Goodwill is allocated to Cash-Generating Units (CGU) or group of CGUs for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The CGU are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the acquired business / operations. In case the acquired business/operations are spread across multiple operating segments, the Goodwill as well as other assets of the CGU are further allocated to ensure that goodwill impairment testing does not cross limits of an operating segments

**(ii) *Brand, Customer Relationships and other rights***

Separately acquired patents and copyrights are shown at historical cost. Non-Compete, Brand and Customer relationship acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

**(iii) *Computer software***

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

During the period of development, the asset is tested for impairment annually. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

The external computer software acquired separately are measured on initial recognition at cost. After initial recognition/ capitalisation, all software are carried at cost less accumulated amortization and impairment losses, if any.

**(iv) *Research and development***

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

**(v) *Amortization methods and periods***

The Group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

| | |
|---|---|
| Internally developed software | 3-5 years |
| Computer software - external | 3 years |
| Non - compete fees | 3-6 years |
| Brand | 10 years |
| Customer Contract/ Relationships | 5-10 years |
| Patents | 3-21 years |

Contract specific software are amortized over the duration of contract agreed with customer. The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

**(vi) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For other non-financial assets, including property, plant and equipment, ROU assets and intangible assets having finite useful lives, the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss under the head depreciation and amortisation expense.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

**(m) Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time, that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Group has not capitalised any material borrowing costs.

Other borrowing costs are expensed in the period in which they are incurred.

**(n) Provisions and contingent liabilities**

Provisions for legal claims and service warranties are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement (recognised only if realisation is virtually certain). If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised; however, their existence is disclosed in the Consolidated financial statements.

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**(o) Employee benefit obligations**

*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*(ii) Other long-term employee benefit obligations*

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprising of as a result of experience adjustments and changes in actuarial assumptions are recognised immediately in the statement of profit and loss in the period in which they occur.

*(iii) Post - employment obligations*

*Defined benefit plans:*

**Provident Fund**

Employees Provident Fund contributions are made to a Trust administered by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. If the interest earnings and cumulative surplus of Trust are less than the present value of the defined benefit obligation the interest shortfall is provided for as additional liability of employer and charged to the statement of profit and loss.

**Gratuity**

Gratuity is a post employment defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less fair value of plan assets. The Group's liability is actuarially determined (using the projected unit credit method) at the end of each year.
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Past service costs are recognised in profit or loss on the earlier of:
► The date of the plan amendment or curtailment, and
► The date that the Group recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
► Net interest expense or income.

*Defined contribution plan:*

**Superannuation**

The Group makes defined contribution to a Trust established for this purpose. The Group has no further obligation beyond its monthly contributions. The Group's contribution towards Superannuation Fund is charged to Statement of Profit and Loss on accrual basis.

**Overseas Employees**

In respect of employees of the overseas branches where ever applicable , the Group makes defined contributions on a monthly basis towards the retirement saving plan which are charged to the Statement of Profit and Loss on accrual basis.

***(iv) Share-based payments***

Share-based compensation benefits are provided to employees via the Coforge Employee Stock Option Plan 2005.

*Equity settled employee stock options*

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**(p) Dividends**

Dividend to shareholders is recognised as a liability and deducted from equity, in the year / period in which the dividends are approved by the shareholders.

**(q) Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the Group
- By weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account.
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(r) Business combinations**

Business combinations are accounted for using the acquisition method other than business combinations of entities under common control. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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*Liability for non-controlling interests*
Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

**(s) Non-current assets held for sale**
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.
Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

**(t) Fair value measurements**
The Group measures financial instruments, such as investment in mutual funds and derivatives, at fair value at each balance sheet date. The Group also measures assets and liabilities acquired in business combination at fair value. 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 -

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised 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:

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management regularly reviews significant unobservable inputs applied in the valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

**(u) Current versus non-current classification**
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:
-Expected to be realised or intended to be sold or consumed in normal operating cycle
-Held primarily for the purpose of trading
-Expected to be realised within twelve months after the reporting period, or
-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve 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 normal operating cycle
-It is held primarily for the purpose of trading
-It is due to be settled within twelve months after the reporting period, or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**(v) Rounding of amounts**
All amounts disclosed in the Consolidated financial statements and notes have been rounded off to the nearest millions, unless otherwise stated.

**2 Recent Accounting Pronouncements**
New and amended standards adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2024, except for the adoption of new standards effective as of 1 April 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.
Several amendments apply for the first time in 2024, but do not have an impact on the Special Purpose Interim Condensed Consolidated Financial Statements of the Group.

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**Coforge Limited**
**Notes to the Special Purpose Interim Condensed Consolidated Financial Statements**

### 3 Property, plant and equipment

*(All amounts in Rs. Mn unless otherwise stated)*

| Particulars | Freehold Land | Buildings | Plant and Machinery - Computers and Peripherals | Plant and Machinery - Office Equipment | Plant and Machinery - Others | Furniture and Fixtures | Lease Hold Improvements | Vehicles | Total | Capital work in progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | |
| As at 1 April 2023 | 111 | 2,712 | 2,857 | 211 | 942 | 681 | 265 | 591 | **8,370** | 46 |
| Additions | - | - | 379 | 37 | 36 | 41 | 73 | 433 | **999** | 229 |
| Disposals | - | 1 | (197) | (9) | (17) | (12) | (8) | (87) | **(329)** | - |
| Translation Adjustment | - | - | (66) | (3) | (15) | - | (41) | | **(125)** | - |
| Transfers/Adjustment | - | - | - | - | - | - | - | - | - | (43) |
| **As at 31 March 2024** | **111** | **2,713** | **2,973** | **236** | **946** | **710** | **289** | **937** | **8,915** | **232** |
| **Accumulated depreciation** | | | | | | | | | | |
| As at 1 April 2023 | - | 327 | 2,077 | 176 | 546 | 518 | 111 | 160 | **3,915** | - |
| Depreciation charge for the year | - | 47 | 558 | 17 | 82 | 44 | 84 | 92 | **924** | - |
| Disposals | - | - | (195) | (9) | (13) | (12) | (8) | (36) | **(273)** | - |
| Translation Adjustment | - | - | (63) | (3) | (17) | - | (38) | | **(121)** | - |
| **As at 31 March 2024** | **-** | **374** | **2,377** | **181** | **598** | **550** | **149** | **216** | **4,445** | **-** |
| **Net carrying amount as at 31 March 2024** | **111** | **2,339** | **596** | **55** | **348** | **160** | **140** | **721** | **4,470** | **232** |

| Particulars | Freehold Land | Buildings | Plant and Machinery - Computers and Peripherals | Plant and Machinery - Office Equipment | Plant and Machinery - Others | Furniture and Fixtures | Lease Hold Improvements | Vehicles | Total | Capital work in progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | |
| As at 1 April 2024 | 111 | 2,713 | 2,973 | 236 | 946 | 710 | 289 | 937 | **8,915** | 232 |
| Addition pursuant to acquisition of subsic | | 16 | 93 | 14 | 36 | 13 | 23 | | **195** | |
| Additions | - | - | 334 | 3 | 114 | 70 | 390 | 153 | **1,064** | 170 |
| Disposals/ Transfers (Refer note 4(i)) | - | (152) | (116) | (22) | (11) | (12) | (52) | (65) | **(430)** | |
| Translation Adjustment | - | - | 75 | 3 | 1 | 4 | 4 | | **87** | - |
| Transfers/Adjustment | - | - | - | - | - | - | - | - | - | (211) |
| **As at 30 September 2024** | **111** | **2,577** | **3,359** | **234** | **1,086** | **785** | **654** | **1,025** | **9,831** | **191** |
| **Accumulated depreciation** | | | | | | | | | | |
| As at 1 April 2023 | - | 374 | 2,377 | 181 | 598 | 550 | 149 | 216 | **4,445** | - |
| Depreciation charge for the period | - | 24 | 261 | 10 | 43 | 24 | 63 | 59 | **484** | - |
| Disposals/ Transfers (Refer note 4(i)) | - | (27) | (113) | (21) | (11) | (12) | (52) | (29) | **(265)** | - |
| Translation Adjustment | - | - | 81 | - | - | 2 | 2 | | **85** | - |
| **As at 30 September 2024** | **-** | **371** | **2,606** | **170** | **630** | **564** | **162** | **246** | **4,749** | **-** |
| **Net carrying amount as at 30 September 2024** | **111** | **2,206** | **753** | **64** | **456** | **221** | **492** | **779** | **5,082** | **191** |

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Coforge Limited
Notes to the Special Purpose Interim Condensed Consolidated Financial Statements

(All amounts in Rs. Mn unless otherwise stated)

## 4 Intangible assets and goodwill

Following are the changes in the carrying value of goodwill and intangible assets for the year ended 31 March 2024:

| Particulars | Other Intangible assets | | | | | | | Intangible assets under development | Goodwill |
|---|---|---|---|---|---|---|---|---|---|
| | Acquired software | Internally developed software | Patents | Brand | Customer relationships | Non-compete fee | Total | | |
| **Gross carrying amount** | | | | | | | | | |
| As at 1 April 2023 | 608 | 1,067 | 10 | 528 | 5,682 | 625 | 8,520 | - | 11,727 |
| Additions | 808 | 533 | | | - | - | 1,341 | 533 | - |
| Disposals | (31) | - | - | - | - | (316) | (347) | (533) | - |
| Translation Adjustment | (127) | 2 | - | 6 | 21 | 3 | (95) | - | 73 |
| **As at 31 March 2024** | **1,258** | **1,602** | **10** | **534** | **5,703** | **312** | **9,419** | **-** | **11,800** |
| **Accumulated amortization and impairment** | | | | | | | | | |
| As at 1 April 2023 | 503 | 492 | 7 | 258 | 2,140 | 486 | 3,886 | - | 62 |
| Amortization charge for the year | 635 | 211 | 1 | 54 | 632 | 75 | 1,608 | - | - |
| Disposals | (30) | - | - | - | - | (316) | (346) | - | - |
| Translation Adjustment | (128) | (17) | (1) | 3 | 17 | 2 | (124) | - | - |
| **As at 31 March 2024** | **980** | **686** | **7** | **315** | **2,789** | **247** | **5,024** | **-** | **62** |
| **Net carrying amount as at 31 March 2024** | **278** | **916** | **3** | **219** | **2,914** | **65** | **4,395** | **-** | **11,738** |

Following are the changes in the carrying value of goodwill and intangible assets for the period ended 30 September 2024:

| Particulars | Other Intangible assets | | | | | | | Intangible assets under development | Goodwill |
|---|---|---|---|---|---|---|---|---|---|
| | Acquired software | Internally developed software | Patents | Brand | Customer relationships | Non-compete fee | Total | | |
| **Gross carrying amount** | | | | | | | | | |
| As at 1 April 2024 | 1,258 | 1,602 | 10 | 534 | 5,703 | 312 | 9,419 | - | 11,800 |
| Addition pursuant to acquisition of subsidiary during the period | - | - | - | - | 29 | 26 | 55 | - | 740 |
| Additions | 952 | - | - | - | 7,824 | 295 | 9,071 | 474 | 25,196 |
| Disposals | (44) | - | - | - | - | - | (44) | - | - |
| Translation Adjustment | 15 | 91 | - | 11 | 44 | 3 | 164 | - | 165 |
| **As at 30 September 2024** | **2,181** | **1,693** | **10** | **545** | **13,600** | **636** | **18,665** | **474** | **37,901** |
| **Accumulated amortization and impairment** | | | | | | | | | |
| As at 1 April 2024 | 980 | 686 | 7 | 315 | 2,789 | 247 | 5,024 | - | 62 |
| Amortization charge for the period | 367 | 200 | - | 26 | 487 | 57 | 1,137 | - | - |
| Disposals | (44) | - | - | - | - | - | (44) | - | - |
| Translation Adjustment | 11 | 41 | 1 | 8 | 39 | 2 | 102 | - | - |
| **As at 30 September 2024** | **1,314** | **927** | **8** | **349** | **3,315** | **306** | **6,219** | **-** | **62** |
| **Net carrying amount as at 30 September 2024** | **867** | **766** | **2** | **196** | **10,285** | **330** | **12,446** | **474** | **37,839** |

**Impairment tests for goodwill**

**a) Significant estimate: Key assumptions used for fair value less cost of disposal/ value-in-use calculations**

The Group monitors the performance of each acquired business including related goodwill as a separate unit. In certain cases, these businesses fall into more than one Operating Segments. For impairment testing, considering the requirements of Ind AS 36 paragraph 80(b), the goodwill as well as other assets of the acquired businesses, viz. Cigniti, SF (erstwhile Whishworks), DPA, AdvantageGo, BPS, BPM, ODA and Coforge Heathcare have been allocated such that unit for goodwill impairment testing does not exceed an operating segment. Particularly, the operations of DPA and SF are spread across multiple operating segments and thus for impairment testing, goodwill and all other assets are further allocated to ensure that goodwill impairment testing does not cross limits of an operating segments. Cigniti is principally engaged in providing Digital Assurance and Engineering (Software testing) Services. SF provides digital integration business solutions, DPA and BPM are global business process management specialist. AdvantageGo is in the business of commercial insurance software and solution provider. BPS is in the business of providing business process transformation offering digital solutions for the financial services industry.

Following is summary of changes in the carrying amount of goodwill.

| Particulars | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| Carrying value at the beginning | 11,738 | 11,665 |
| Goodwill on acquisitions | 25,936 | - |
| Translation differences | 165 | 73 |
| **Closing Carrying value** | **37,839** | **11,738** |

*(This space has been intentionally left blank)*

*(All amounts in Rs Mn unless otherwise stated)*

### 4(i) Non Current Asset Held for sale:

On July 22, 2024 the Board of Directors announced its decision to sell the immovable property located in Noida, India. The immovable property amounting to INR 256 Mn including leasehold land is classified as a held for sale. The Board considered the said building meets the criteria to be classified as held for sale at that date for the following reasons:

a. The property is available for immediate sale and can be sold in its current condition.

b. The actions to complete the sale were initiated and expected to be completed within one year from the date.

| Particulars | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| Amount of property, plant and equipment classified as held for sale (land and building) (Refer note no. 3) | 125 | - |
| Amount of right of use asset classified as held for sale (leasehold land) (Refer note no. 29) | 131 | - |
| **Total** | **256** | **-** |

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*(All amounts in Rs. Mn unless otherwise stated)*

| | | As at 30 September 2024 (Audited) | | As at 31 March 2024 (Audited) | |
|---|---|---|---|---|---|
| | | Current | Non- Current | Current | Non- Current |
| 5(i) | **Trade Receivables** | | | | |
| | Trade receivables | 25,046 | 1,759 | 19,072 | 1,464 |
| | Receivables from related parties [Refer note 1(B) and 24] | 140 | - | - | - |
| | Less: Impairment for trade receivables | (1,214) | - | (1,033) | - |
| | **Total receivables** | **23,972** | **1,759** | **18,039** | **1,464** |
| | **Break-up of security details** | | | | |
| | Trade receivables considered good - secured | - | - | - | - |
| | Trade receivables considered good - unsecured | 23,972 | 1,759 | 18,039 | 1,464 |
| | Trade receivables - credit impaired | 1,214 | - | 1,033 | - |
| | **Total** | **25,186** | **1,759** | **19,072** | **1,464** |
| | Impairment for trade receivables | (1,214) | - | (1,033) | - |
| | **Total trade receivables** | **23,972** | **1,759** | **18,039** | **1,464** |
| | Trade receivables includes amounts yet to be billed to customers and dependent only on passage of time (unbilled considered good - unsecured) | 5,018 | 1,759 | 3,760 | 1,464 |

As at 30 September 2024, the Group has outstanding trade receivables of Rs 1,411 Mn (31 March 2024 Rs. 1,357 Mn) relating to Government customers in India [net of provision of Rs 572 Mn (Previous year Rs. 535 Mn)]. Allowance for expected credit loss on receivables is subjective due to the high degree of significant judgment applied by management in determining the impairment provision. Above trade receivables pertain to contract with customers as defined under Ind AS 115 on Revenue from contract with customers and considered recoverable.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Refer note 24

| | | As at 30 September 2024 (Audited) | | As at 31 March 2024 (Audited) | |
|---|---|---|---|---|---|
| | | Current | Non- Current | Current | Non- Current |
| 5(ii) | **Other Financial Assets** | | | | |
| | (i) Financial assets at fair value through OCI | | | | |
| | *Derivatives* | | | | |
| | Foreign exchange forward contracts | 19 | - | 79 | - |
| | *(ii) Others* | | | | |
| | Security deposits | | | | |
| | -Considered Good | 123 | 519 | 83 | 386 |
| | Interest accrued on deposits with banks | 12 | 23 | - | 8 |
| | Long term deposits with bank with remaining maturity period more than 12 months [Refer Note (a) below] | - | 463 | - | 196 |
| | Finance lease recoverable | 2 | - | 16 | - |
| | Others [Refer note 22] | 118 | - | - | - |
| | **Total other financial assets** | **274** | **1,005** | **178** | **590** |

(a) Includes Rs. 270 Mn (Previous year Rs. 196 Mn) Held as margin money by bank against bank guarantees.

| | | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|---|
| 5(iii) | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - in Current accounts | 2,575 | 2,521 |
| | - in EEFC account | 894 | 441 |
| | Deposits with original maturity less than three months | 11,446 | 230 |
| | Cash on hand | - | - |
| | Cheques, drafts on hand | 20 | 21 |
| | **Total Cash and cash equivalents** | **14,935** | **3,213** |

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*(All amounts in Rs. Mn unless otherwise stated)*

During the period, the Company has issued 4,869,565 equity shares of Rs 10 each in Qualified Institutions Placement ('QIP') at an issue price of Rs. 4,600 per share (including securities premium of Rs 4,590 per share) aggregating to Rs. 22,400 Mn. Rs. 49 Mn has been adjusted towards Equity Share capital and Rs. 22,351 Mn has been adjusted towards securities premium (comprises 4,869,565 Equity Shares issued at Rs. 4,590 per Equity Share) included in 'Securities Premium'. The Holding Company had incurred expenses amounting to INR 386 million towards issuance of equity shares which have been debited to securities premium.
The purpose of the offer was acquisition of equity shares in Cigniti Technologies Limited ("Cigniti"), including all associated costs therewith and accordingly, the Company entered into a share purchase agreement with the promoters and select public shareholders of Cigniti to acquire up to 54% of the expanded share capital of Cigniti. On July 5, 2024, the Group acquired 27.98% of paid up equity shares in Cigniti for a consideration amounting to Rs 10,725 Mn and incurred an expense of Rs 540 Mn with respect to such share purchase (Refar note no. 26)

| | | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|---|
| **5(iv)** | **Other bank balances** | | |
| | Deposits with original maturity more than 3 months but less than 12 months | 442 | 114 |
| | Unpaid dividend account [Refer Note (a) below] | 29 | 25 |
| | | 471 | 139 |
| | (a) Can be used only to settle unpaid dividend liability. | | |
| **5(v)** | **Investments** | | |
| | **Current** | | |
| | **Valued at fair value through profit and loss** | | |
| | **Investment in bonds, quoted** | 281 | - |
| | Unsecured, considered good | | |
| | **Investment in debentures, quoted** | 1,296 | - |
| | Unsecured, considered good | | |
| | **Investment in commercial paper, quoted** | 222 | - |
| | Unsecured, considered good | | |
| | **Investment in mutual funds, quoted** | 524 | - |
| | Unsecured, considered good | | |
| | | 2,323 | - |
| | **Non Current** | | |
| | **Investments carried at fair value through other comprehensive income** | | |
| | **Equity instruments of other entities (unquoted)** | | |
| | 13,322 equity shares of $ 0.01, each fully paid-up in Simnovus Corporation | 8 | - |
| | 23,200 equity shares of $0.00, each fully paid-up in Loquat Inc. | 17 | - |
| | **Investments carried at fair value through profit and loss** | | |
| | **Preferred instruments of other entities (unquoted)** | | |
| | 100 compulsory convertible preference shares of Rs. 10 fully paid-up in Hirexai Private Limited | 3 | - |
| | | 28 | - |
| | **Aggregate value of unquoted investment** | 28 | - |
| | **Aggregate amount of impairment in value of investment** | - | - |
| **6** | **Deferred tax assets (net)** | **6,091** | **5,583** |
| **7** | **Income tax assets (net)** | | |
| | Advance Income Tax | 18,429 | 17,759 |
| | Less: Provision for income tax | 18,284 | 17,474 |
| | **Total income tax assets** | **145** | **285** |
| **8** | **Contract Assets** | | |
| | Contract assets | 2,310 | 1,894 |
| | Less: Impairment for contract assets | 106 | 103 |
| | **Net contract assets** | **2,204** | **1,791** |

| | | As at 30 September 2024 (Audited) | | As at 31 March 2024 (Audited) | |
|---|---|---|---|---|---|
| **9** | **Other assets** | **Current** | **Non- Current** | **Current** | **Non- Current** |
| | Capital advances | - | 90 | - | 8 |
| | Advances other than capital advances | 1,143 | 6 | 526 | 9 |
| | Prepayments | 2,235 | 162 | 1,217 | 239 |
| | Contract cost | 1,169 | 3,615 | 922 | 3,112 |
| | | **4,547** | **3,873** | **2,665** | **3,368** |

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*(All amounts in Rs Mn unless otherwise stated)*

**10 Equity share capital**

**Authorized equity share capital**

| | Number of shares | Amount (Audited) |
|---|---|---|
| **As at 01 April 2023** | **77,000,000** | **770** |
| Increase during the year | - | - |
| **As at 31 March 2024** | **77,000,000** | **770** |
| Increase during the period | - | - |
| **As at 30 September 2024** | **77,000,000** | **770** |

**(i) Equity shares issued, subscribed and fully paid up**

| | Number of shares | Amount (Audited) |
|---|---|---|
| **As at 31 March,2023** | **61,087,080** | **611** |
| Issue of Shares | 733,912 | 7 |
| **As at 31 March,2024** | **61,820,992** | **618** |
| Issue of Shares | 4,872,786 | 49 |
| **As at 30 September 2024** | **66,693,778** | **667** |

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs.10 per share. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| **11 Reserves and Surplus** | | |
| Capital reserves | 11 | 11 |
| Capital redemption reserve | 36 | 36 |
| Securities premium | 23,885 | 1,909 |
| Employee stock option | 829 | 420 |
| General reserve | 2,057 | 2,057 |
| Retained earnings | 30,399 | 29,373 |
| Cash flow hedging reserve | (340) | 9 |
| Foreign currency translation reserve | 2,241 | 1,833 |
| **Total reserves and surplus** | **59,118** | **35,648** |
| | | |
| **(i) Capital Reserves** | | |
| Opening Balance | 11 | 11 |
| Increase/ decrease during the period/year | - | - |
| **Closing Balance** | **11** | **11** |
| | | |
| **(ii) Capital redemption reserve** | | |
| Opening Balance | 36 | 36 |
| Increase/ decrease during the period/year | - | - |
| **Closing Balance** | **36** | **36** |
| | | |
| **(iii) Securities premium** | | |
| Opening Balance | 1,909 | 635 |
| Add: Transferred from employee stock option | 11 | 1,274 |
| Add: Equity share issue through qualified institutions placement (net of expenses)(refer note no. 5(iii)) | 21,965 | |
| Add: Premium on shares issued for exercised options | - | - |
| **Closing Balance** | **23,885** | **1,909** |
| | | |
| **(iv) Employee stock option** | | |
| Options granted till date | 420 | 884 |
| Less: Transferred to securities premium | (11) | (1,274) |
| Add: Impact of fair valuation on employee stock options | 420 | 810 |
| **Closing Balance** | **829** | **420** |
| | | |
| **(v) General Reserve** | | |
| Opening Balance | 2,057 | 2,057 |
| Increase/ decrease during the period/year | - | - |
| **Closing Balance** | **2,057** | **2,057** |
| | | |
| **(vi) Retained Earnings** | | |
| Opening Balance | 29,373 | 25,080 |
| Net profit for the period | 3,354 | 8,080 |
| Add: Remeasurement gains on defined benefit plans | 28 | 105 |
| Add: Tax benefit on share based payment | 90 | 647 |
| Less: Fair valuation impact on future acquisition liability | (4) | 127 |
| Less: Appropriations - Dividend paid | (2,442) | (4,666) |
| **Closing Balance** | **30,399** | **29,373** |
| | | |
| **(vii) Cash Flow Hedging Reserve** | | |
| Opening Balance | 9 | (192) |
| Increase/ decrease during the year | (349) | 201 |
| **Closing Balance** | **(340)** | **9** |

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*(All amounts in Rs Mn unless otherwise stated)*

| | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| **(viii) Foreign Currency Translation Reserve** | | |
| Opening Balance | 1,833 | 1,703 |
| Increase/ decrease during the period/year | 406 | 130 |
| **Closing Balance** | **2,239** | **1,833** |

**Nature and purpose of reserves**

**Capital Reserve**

Capital Reserve is not freely available for distribution.

**Capital redemption reserve**

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve /retained earnings

***Securities premium***

Securities premium is used to record the premium on issue of shares. The premium is utilized in accordance with the provisions of the Companies Act 2013.

***Employee stock option***

The share options outstanding is used to recognize the grant date fair value of options issued to employees under Coforge Employee Stock Option Plan 2005

***General reserve***

The General Reserve is as per the requirements of Companies Act, 2013 in respect of companies incorporated in India. General reserve, if any, of overseas subsidiaries are included as part of the retained earnings.

***Retained earnings***

Retained earnings represent the amount of accumulated earnings of the Group.

***Cash flow hedging reserve***

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e., revenue. For hedging foreign currency risk, the Group uses Foreign Currency Forward Contracts which are designated as Cash Flow Hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the Cash Flow Hedging Reserve. Amount recognized in the Cash Flow Hedging Reserve is reclassified to profit or loss when the hedged item effects profit and loss, under Revenue.

***Foreign currency translation reserve***

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

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(All amounts in Rs Mn unless otherwise stated)

| | | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|---|
| 12 | **Financial liabilities** | | |
| 12(i) | **Non - Current Borrowings** | | |
| | **Unsecured Loans** | | |
| | **Bonds** | | |
| | Listed, Rated, Redeemable, Non-Convertible Bonds [Refer note (a) below] | - | 3,399 |
| | **Total non current borrowings** | **-** | **3,399** |
| 12(ii) | **Current Borrowings** | | |
| | **Secured Loans** | | |
| | **Loan repayable on demand** | | |
| | From Bank [Refer note (b) below] | 7,184 | 967 |
| | **Total current borrowings** | **7,184** | **967** |

(a) During the period, the Company repaid unsecured listed, rated, redeemable, non-convertible bonds amounting to Rs 3,400 Mn as per terms of the Bond trust deed.

(b) Loan repayable on demand from bank includes working capital in the form of working capital demand loan payable on demand. Interest on Working Capital lines is in the range of 6.25% to 7.65%. Security: charge by way of hypothecation on the Company's entire stock of finished goods and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivable both present and future, in a form and manner satisfactory to the bank.

| | | As at 30 September 2024 (Audited) | | As at 31 March 2024 (Audited) | |
|---|---|---|---|---|---|
| 12(iii) | **Lease liabilities** | **Current** | **Non Current** | **Current** | **Non Current** |
| | | 880 | 2,573 | 577 | 2,317 |
| | | **880** | **2,573** | **577** | **2,317** |
| 12(iv) | **Trade payables** | | | | |
| | Trade payables | 8,876 | 781 | 8,062 | 627 |
| | **Total trade payables** | **8,876** | **781** | **8,062** | **627** |
| 12(v) | **Other Financial liabilities** | | | | |
| | Capital creditors | 455 | - | 301 | - |
| | Unclaimed dividend | 32 | - | 25 | - |
| | Financial liability for future acquisition | 8,882 | - | 176 | 69 |
| | Other employee benefits payable | 1,801 | - | 1,053 | - |
| | Interest accrued but not Due | 50 | - | 320 | - |
| | Others | 887 | 204 | 433 | 184 |
| | Financial liabilities at fair value through OCI | | | | |
| | *Derivatives* | | | | |
| | Foreign exchange forward contracts | 477 | - | 67 | - |
| | **Total other financial liabilities** | **12,584** | **204** | **2,375** | **253** |
| 13 | **Employee benefit obligations** | | | | |
| | Leave obligations | 543 | 561 | 294 | 492 |
| | Gratuity | 545 | 773 | 123 | 812 |
| | **Total employee benefit obligations** | **1,088** | **1,334** | **417** | **1,304** |
| 14 | **Other liabilities** | | | | |
| | Statutory dues including provident fund and tax deducted at source | 2,484 | - | 2,259 | - |
| | Contract liabilities | 960 | 79 | 658 | 127 |
| | **Total other liabilities** | **3,444** | **79** | **2,917** | **127** |

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(All amounts in Rs Mn unless otherwise stated)

| | | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|---|
| 15 | **Revenue from operations** | | |
| | Sales of products | 346 | 222 |
| | Sale of services | 54,285 | 44,750 |
| | **Revenue from operations** | **54,631** | **44,972** |
| | | | |
| | **Timing of revenue recognition** | | |
| | Goods transferred at a point in time | 346 | 222 |
| | Services transferred over time | 54,285 | 44,750 |
| | **Revenue from operations** | **54,631** | **44,972** |

**Disclosures related to revenue from operations**

a. **Disaggregate revenue information**

Refer note 25 for geographical revenue disaggregation. In addition the group maintain revenue by verticals, service line and Project type:
The tables below presents disaggregated revenues from operations by:

| **Revenue by Vertical** | | |
|---|---|---|
| Banking and financial services | 16,622 | 14,100 |
| Insurance | 10,971 | 10,164 |
| Travel, transportation and hospitality | 9,898 | 8,320 |
| All Others | 17,140 | 12,388 |
| **Revenue from operations** | **54,631** | **44,972** |

| **Revenue by Service line** | | |
|---|---|---|
| Engineering | 20,709 | 15,849 |
| Cloud and Infrastructure Management | 9,879 | 8,648 |
| Business Process Management | 4,761 | 4,268 |
| Data and Integration | 13,690 | 10,903 |
| Intelligent Automation | 5,592 | 5,304 |
| **Revenue from operations** | **54,631** | **44,972** |

| **Revenue by Project type** | | |
|---|---|---|
| Time-and-material* | 29,490 | 22,890 |
| Fixed-price** | 25,141 | 22,082 |
| **Revenue from operations** | **54,631** | **44,972** |

*Includes fixed capacity.
**Comprises fixed monthly, transaction based and licensed related contract.

| | | | |
|---|---|---|---|
| 16 | **Other income** | | |
| | Interest Income from financial assets at amortised cost | 486 | 82 |
| | Profit on Sale/transfer of long term investments | 5 | - |
| | Income on Financial Investments at fair value through profit and loss | 41 | 16 |
| | Finance income | **532** | **98** |
| | Government incentives | 71 | 72 |
| | Gain on exchange fluctuations (net) | 57 | 47 |
| | Miscellaneous income | 157 | 32 |
| | **Total other income** | **817** | **249** |

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(All amounts in Rs Mn unless otherwise stated)

| | | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|---|
| 17 | **Employee benefits expense** | | |
| | Salaries, wages and bonus | 28,463 | 25,558 |
| | Contribution to provident (and other) funds | 1,570 | 1,411 |
| | Employee share-based payment expense (Refer note 30) | 420 | 656 |
| | Gratuity | 184 | 160 |
| | Staff welfare expenses | 2,690 | 158 |
| | **Total employee benefit expense** | **33,327** | **27,943** |
| 18 | **Finance costs** | | |
| | Interest on borrowings | 454 | 399 |
| | Bank and financial charges | 28 | 24 |
| | Unwinding of discounts | 147 | 117 |
| | **Total finance costs** | **629** | **540** |
| 19 | **Depreciation and amortisation expense** | | |
| | Depreciation of property, plant and equipment (Refer note 3) | 495 | 460 |
| | Depreciation of right of use assets (Refer note 29) | 426 | 289 |
| | Amortisation of intangible assets (Refer note 4) | 1,137 | 780 |
| | **Total depreciation and amortisation expense** | **2,058** | **1,529** |
| 20 | **Other expenses** | | |
| | Rent | 83 | 117 |
| | Rates and taxes | 26 | 6 |
| | Electricity and water | 116 | 106 |
| | Communication expenses | 196 | 195 |
| | Legal and professional | 1,849 | 518 |
| | Travelling and conveyance | 780 | 628 |
| | Recruitment expenses | 318 | 164 |
| | Insurance premium | 68 | 59 |
| | Repairs and maintenance | | |
| | - Plant and machinery | 246 | 245 |
| | - Buildings | 75 | 16 |
| | - Others | 142 | 90 |
| | Allowance for doubtful debts - trade receivables and unbilled revenue | 32 | 45 |
| | Expenditure towards corporate social responsibilities activities | 100 | 61 |
| | Advertisement and publicity expenses | 44 | 37 |
| | Business promotion expenses | 219 | 299 |
| | Professional charges | 6,219 | 4,553 |
| | Equipment hiring | 10 | 7 |
| | Other production expenses (incl. third party license cost) | 3,478 | 3,205 |
| | Miscellaneous expenses | 196 | 133 |
| | **Total other expenses** | **14,197** | **10,484** |

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(All amounts in Rs Mn unless otherwise stated)

## 21 Income tax expense

This note provides an analysis of the group's income tax expense, shows amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax positions.

| | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|
| **(a) Income tax expense** | | |
| **Current tax** | | |
| Current tax on operating profits of the period | 1,840 | 1,872 |
| Adjustments for current tax of prior periods | - | - |
| Decrease (increase) in MAT | (15) | (442) |
| **Total current tax expense** | **1,825** | **1,430** |
| | | |
| **Deferred tax** | | |
| (Increase) / decrease in deferred tax assets (Employee benefits, provisions and others) | (265) | (359) |
| (Decrease) / increase in deferred tax liabilities (PPE) | (2) | 7 |
| (Decrease) / increase in deferred tax liabilities (intangible assets) | (104) | (65) |
| **Total deferred tax benefit** | **(372)** | **(417)** |
| | | |
| **Income tax expense** | **1,453** | **1,013** |
| | | |
| **(b) Amount recognised in other comprehensive income** | | |
| Deferred tax asset | **113** | **(87)** |
| | | |
| **(c) Amount recognised directly in equity outside profit or loss** | | |
| Current/Deferred tax asset | 90 | 396 |
| | | |
| **(d) Tax Losses** | | |
| Unused tax losses for which no deferred tax asset has been recognised due to no reasonable certainty of realisation | 257 | 167 |
| Potential tax benefit | 74 | 50 |

**(e) Unrecognised temporary differences**

As per the provisions of Section 80M of Income Tax Act, 1961, it allows the removal of cascading effect of taxes on inter-corporate dividends. Accordingly, certain subsidiaries of the Group have undistributed earnings, which are expected to be distributed as dividends, subject to tax in the hands of the Company. In accordance with the Group's policy of further distributing dividends to its shareholders on receipt from the subsidiaries and basis prevalent tax laws i.e., section 80M, which permits offsetting of dividend received from subsidiaries with its dividend paid while computing the taxable dividend income, no liability has been recorded on such undistributed earnings.

| | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|
| **(f) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** | | |
| Profit from continuing operations before income tax expense | 5,182 | 4,649 |
| **Tax at the Indian tax rate of 34.944% (for period 2023-24: 34.944%)** | **1,811** | **1,625** |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| **Impact of deductions** | | |
| Effect of tax holiday benefits and exemptions | (396) | (565) |
| Taxes paid by branches - net of credits | 133 | 282 |
| Others | - | - |
| **Impact of permanent differences** | | |
| Expenses to the extent disallowable | 338 | 29 |
| Tax provision for current tax of prior periods | - | - |
| DTA/(DTL) not created on provisions for Exempted Units | 13 | 31 |
| Others | (81) | (27) |
| **Others** | | |
| Effect of differential tax rates | (366) | (362) |
| | | |
| **Income tax expense** | **1,453** | **1,013** |

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(All amounts in Rs. Mn unless otherwise stated)

22 **Fair value measurements**

The carrying value and fair value of financial instruments by categories as of 30 September 2024 and 31 March 2024 were as follows:

| | As at 30 September 2024(Audited) | | | | |
|---|---|---|---|---|---|
| | FVPL | FVTOCI | Amortized Cost | Carrying amount | Fair value |
| **Financial assets** | | | | | |
| Trade receivables | - | - | 1,759 | 1,759 | 1,759 |
| Derivative instruments | - | 19 | - | 19 | 19 |
| Other long-term financial assets | - | - | 1,005 | 1,005 | 1,005 |
| **Total Financial assets** | - | **19** | **2,764** | **2,783** | **2,783** |
| **Financial liabilities** | | | | | |
| Non current borrowings | - | - | - | - | - |
| Non controlling interest * | - | - | - | 8,882 | 8,882 |
| Trade payable | - | - | 781 | 781 | 781 |
| Derivative instruments | - | 477 | - | - | - |
| **Total Financial liabilities** | - | **477** | **781** | **9,663** | **9,663** |

| | As at 31 March 2024(Audited) | | | | |
|---|---|---|---|---|---|
| | FVPL | FVTOCI | Amortized Cost | Carrying amount | Fair value |
| **Financial assets** | | | | | |
| Trade receivables | - | - | 1,464 | 1,464 | 1,464 |
| Derivative instruments | - | 79 | - | 79 | 79 |
| Other long-term financial assets | - | - | 590 | 590 | 590 |
| **Total Financial assets** | - | **79** | **2,054** | **2,133** | **2,133** |
| **Financial liabilities** | | | | | |
| Non current borrowings | - | - | 3,399 | 3,399 | 3,399 |
| Non controlling interest * | - | - | - | 245 | 245 |
| Trade payable | - | - | 627 | 627 | 627 |
| Derivative instruments | - | 67 | - | - | - |
| **Total Financial liabilities** | - | **67** | **4,026** | **4,271** | **4,271** |

*Financial liability for future acquisition amounting to Rs 8,882 Mn (31 March 2024: Rs. 245 Mn) has been measured through fair valuation by other equity.

The carrying amounts of current portion of trade receivables, trade payables, capital creditors, security deposits, unpaid dividend account, deposits with bank, cash and cash equivalents, short term borrowings, trade and other payables, capital creditors, unclaimed dividend are considered to be the same as their fair values, due to their short term nature.

*(This space has been intentionally left blank)*

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*(All amounts in Rs. Mn unless otherwise stated)*

**(i) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

(a) recognized and measured at fair value and

(b) measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

An explanation of each level follows underneath the table.

| Financial assets and liabilities measured at fair value - recurring fair value measurements at 30 September 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| *Derivatives designated as hedges* | | | | |
| Derivative Financial Assets | - | 19 | - | 19 |
| *Financial assets at amortised costs* | - | | | |
| Trade receivables | - | - | - | - |
| Other long-term financial assets | - | - | - | - |
| **Total financial assets** | **-** | **19** | **-** | **19** |
| **Financial Liability** | | | | |
| *Derivatives designated as hedges* | | | | |
| Derivative Financial Liability | - | 477 | - | 477 |
| *Other financial liabilities* | | | | |
| *Future acquisition liability* | - | - | 8,882 | 8,882 |
| *Financial liabilities at amortised costs* | | | | |
| Non current borrowings | - | - | - | - |
| Trade payable | - | - | - | - |
| **Total financial Liability** | **-** | **477** | **8,882** | **9,359** |

| Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| *Derivatives designated as hedges* | | | | - |
| Derivative Financial Assets | - | 79 | - | 79 |
| *Financial assets at amortised costs* | | | | |
| Trade receivables | - | - | - | - |
| Other long-term financial assets | - | - | - | - |
| **Total financial assets** | **-** | **79** | **-** | **79** |
| **Financial Liability** | | | | |
| *Derivatives designated as hedges* | | | | - |
| Derivative Financial Liability | - | 67 | - | 67 |
| *Other financial liabilities* | | | | |
| *Future acquisition liability* | - | - | 245 | 245 |
| *Financial liabilities at amortised costs* | | | | |
| Non current borrowings | - | - | - | - |
| Trade payable | - | - | - | - |
| **Total financial Liability** | **-** | **67** | **245** | **312** |

All other assets and liabilities are measured at amortised cost

There is also a financial liability for future acquisition measured at fair value using level 3 inputs.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period. There has been no transfer during the period.

**(ii) NCI Put Option liability**

Liability for call and put options issued to non-controlling interests which do not grant present access to ownership interest to us is recognized at the present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to the put option is derecognized and the difference between the amount derecognized and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction. Considering the call and put option granted, the carrying amount of financial liability recognised at 30 September 2024 is Rs. 8,882 Mn (31 March 2024: Rs. 245 Mn).

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*(All amounts in Rs. Mn unless otherwise stated)*

23 **Related parties where control exists**

Interest in Subsidiaries

The Company's subsidiaries at September 30, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

| Sr. No. | Name | Place of business/ country of incorporation | Ownership interest held by the Company | | Ownership interest held by the Non controlling interest | | Principal Activities |
|---|---|---|---|---|---|---|---|
| | | | As at 30 September 2024 | As at 31 March 2024 | As at 30 September 2024 | As at 31 March 2024 | |
| | **Direct subsidiaries** | | | | | | |
| 1 | Coforge U.K. Limited | United Kingdom | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 2 | Coforge Pte Limited | Singapore | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 3 | Coforge DPA Private Ltd. | India | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 4 | Coforge GmbH | Germany | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 5 | Coforge Inc. | USA | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 6 | Coforge Airline Technologies GmbH | Germany | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 7 | Coforge FZ LLC | Dubai | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 8 | NIIT Technologies Philippines Inc (Liquidated) | Philippines | 0 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 9 | Coforge Business Process Solutions Private Limited | India | 80 | 80 | 20 | 20 | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 10 | Cigniti Technologies Limited | India | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| | **Stepdown subsidiaries** | | | | | | |
| 11 | Coforge BV (Wholly owned by Coforge U.K. Ltd.) | Netherlands | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 12 | Coforge Limited (Wholly owned by Coforge Pte Ltd., Singapore) | Thailand | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 13 | Coforge SmartServe Limited (Merged with Coforge DPA Private Limited w.e.f. 1 April 2024 pursuant to order dated 03 October 2024) | India | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |

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*(All amounts in Rs. Mn unless otherwise stated)*

| Sr. No. | Name | Place of business/ country of incorporation | Ownership interest held by the Company | | Ownership interest held by the Non controlling interest | | Principal Activities |
|---|---|---|---|---|---|---|---|
| | | | As at 30 September 2024 | As at 31 March 2024 | As at 30 September 2024 | As at 31 March 2024 | |
| 14 | Coforge Services Limited (Merged with Coforge DPA Private Limited w.e.f. 1 April 2024 pursuant to order dated 03 October 2024) | India | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 15 | Coforge Technologies (Australia) Pty Ltd. (Wholly owned by Coforge Pte Ltd., Singapore) | Australia | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 16 | Coforge Advantage Go (Wholly owned by Coforge U.K. Ltd., UK) | United Kingdom | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 17 | Coforge S.A. (Wholly owned by Coforge U.K. Ltd.) | Spain | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 18 | Coforge SF Private Limited (Merged with Coforge DPA Private Limited w.e.f. 1 April 2024 pursuant to order dated 03 October 2024) | India | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 19 | Coforge BPM Inc. (erstwhile RuleTek LLC) (80% owned Coforge DPA Private Limited, India and 20% by Coforge DPA NA Inc. USA) | USA | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 20 | Coforge DPA UK Ltd. (Wholly owned by Coforge DPA Private Ltd.) | United Kingdom | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 21 | Coforge DPA Ireland Limited (Wholly owned by Coforge DPA Private Ltd.) | Ireland | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 22 | Coforge DPA Australia Pty Ltd. (Wholly owned by Coforge DPA Private Ltd.) | Australia | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 23 | Coforge DPA NA Inc. USA (Wholly owned by Coforge DPA Private Ltd.) | USA | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 24 | Coforge SF Limited, UK (Wholly owned by Coforge SF Private Limited India) | United Kingdom | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 25 | COFORGE (Coforge Spółka Z Ograniczona Odpowiedzialnoscia)(Wholly owned by Coforge U.K. Ltd.,) | Poland | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 26 | Coforge S.R.L., Romania (Wholly owned by Coforge U.K. Limited) | Romania | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 27 | Coforge A.B. Sweden (Wholly owned by Coforge U.K. Limited) | Sweden | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |

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*(All amounts in Rs. Mn unless otherwise stated)*

| Sr. No. | Name | Place of business/ country of incorporation | Ownership interest held by the Company | | Ownership interest held by the Non controlling interest | | Principal Activities |
|---|---|---|---|---|---|---|---|
| | | | As at 30 September 2024 | As at 31 March 2024 | As at 30 September 2024 | As at 31 March 2024 | |
| 28 | Coforge SDN. BHD. Malaysia , (Wholly owned by Coforge Pte Ltd.) | Malaysia | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 29 | Coforge SpA, Chile (Wholly owned by Coforge U.K. Ltd., UK) | Chile | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 30 | Coforge BPS Philippines Inc (wholly owned subsidiary of Coforge Business Process Solutions Private Limited) | Philippines | 80 | 80 | 20 | 20 | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 31 | Coforge BPS America Inc. (wholly owned subsidiary of Coforge Business Process Solutions Private Limited) | USA | 80 | 80 | 20 | 20 | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 32 | Coforge BPS North Carolina LLC (wholly owned subsidiary of Coforge BPS America Inc) | USA | 80 | 80 | 20 | 20 | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 33 | Coforge Healthcare Digital Automation LLC (Subsidiary of Coforge BPM Inc.) | USA | 75 | 55 | 25 | 45 | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 34 | Coforge Japan GK (Wholly owned by Coforge U.K. Ltd., UK) | Japan | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 35 | Coforge Solutions Private Limited (Wholly owned by Coforge DPA Private Ltd.) | India | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 36 | COFORGE, S.A. de C.V. (Wholly owned by Coforge UK Limited) | Mexico | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 37 | Coforge Limited – Company One Person (Wholly owned by Coforge DPA Private Ltd.) | Saudi Arabia | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 38 | PT. Coforge Indonesia Services (Wholly owned by Coforge DPA Private Ltd.) w.e.f July 30, 2024 | Indonesia | 100 | 100 | - | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 39 | Cigniti Technologies Inc (Wholly owned by Cigniti Technologies Limited) | USA | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 40 | Cigniti Technologies UK Ltd (Wholly owned by Cigniti Technologies Limited) | UK | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 41 | Cigniti Technologies (Canada) Inc (Wholly owned by Cigniti Technologies Limited) | Canada | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 42 | Cigniti Technologies (Australia) Pty Ltd (Wholly owned by Cigniti Technologies Limited) | Australia | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |

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*(All amounts in Rs. Mn unless otherwise stated)*

| Sr. No. | Name | Place of business/ country of incorporation | Ownership interest held by the Company | | Ownership interest held by the Non controlling interest | | Principal Activities |
|---|---|---|---|---|---|---|---|
| | | | As at 30 September 2024 | As at 31 March 2024 | As at 30 September 2024 | As at 31 March 2024 | |
| 43 | Aparaa Digital Pvt Limited (Wholly owned by Cigniti Technologies Limited) | India | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 44 | Cigniti Technologies (CZ) Limited (Wholly owned by Cigniti Technologies Limited) | Czech Republic | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 45 | Cigniti Technologies (SG) Pte. Ltd (Wholly owned by Cigniti Technologies Limited) | Singapore | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 46 | Gallop Solutions Private Limited (Wholly owned by Cigniti Technologies Limited) | India | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 47 | Cigniti Technologies CR Limitada (Wholly owned by Cigniti Technologies Limited) | Costa Rica | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 48 | RoundSqr Pty Ltd. (Wholly owned by Cigniti Technologies Limited) | Australia | 27.98 | - | 72.02 | - | Information Technology/ Information Technology Enabled Services ("IT / ITES") |

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*(All amounts in Rs. Mn unless otherwise stated)*

**24 Related party transactions**

Transactions and balances with its own subsidiaries are eliminated on consolidation.

Company's principal related parties consist of investor with significant influence i.e Hulst B.V. Netherlands, its own subsidiaries and key managerial personnel till 24 August 2023. During the six month period ended 30 September 2023, the Group has paid dividend to Hulst B.V. amounting to Rs. 556 Mn. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

**Interest in Subsidiaries**

Refer note 23

**A List of related parties with whom the Group has transacted:**

1) **Key Managerial personnel**

Sudhir Singh, Chief Executive Officer & Executive Director
Gautam Samanta, Executive Director
Saurabh Goel, Chief Financial Officer
Barkha Sharma, Company Secretary

2) **Non Executive Director**

Patrick John Cordes (till 02 May, 2024)
Hari Gopalakrishnan (till 02 May, 2024)
Ashwani Puri (till 31 March, 2024)
Basab Pradhan (till 28 June, 2024)
Mary Beth Boucher
Om Prakash Bhatt (w.e.f. 01 May, 2024)
Anil Kumar Chanana
Durgesh Kumar Singh

3) **List of other related parties**

| Particulars | Country | Nature of relationship |
|---|---|---|
| Cigniti Technologies Limited | India | Direct Subsidiary |
| Cigniti Technologies Inc | USA | Indirect Subsidiary |
| Cigniti Technologies UK Ltd | UK | Indirect Subsidiary |
| Cigniti Technologies (Canada) Inc | Canada | Indirect Subsidiary |
| Cigniti Technologies (Australia) Pty Ltd | Australia | Indirect Subsidiary |
| Aparaa Digital Pvt Limited | India | Indirect Subsidiary |
| Cigniti Technologies (CZ) Limited | Czech Republic | Indirect Subsidiary |
| Cigniti Technologies (SG) Pte. Ltd | Singapore | Indirect Subsidiary |
| Gallop Solutions Private Limited | India | Indirect Subsidiary |
| Cigniti Technologies CR Limitada | Costa Rica | Indirect Subsidiary |
| RoundSqr Inc. | USA | Indirect Subsidiary |
| RoundSqr Pty Ltd. | Australia | Indirect Subsidiary |
| Coforge Limited Employees Provident Fund Trust | India | Post-employment benefit plan |
| Coforge Limited Employees Group Gratuity Scheme | India | Post-employment benefit plan |
| Coforge Limited Employees Superannuation Scheme | India | Post-employment benefit plan |

**B. Key management personnel compensation**

| Commission & sitting fees | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|
| Short term employee benefits** | 108 | 104 |
| Commission & sitting fees | 26 | 18 |
| Post employment benefits* | 3 | 4 |
| **Remuneration paid** | **137** | **126** |
| Share based payment transactions | 200 | 375 |
| **Total of compensation** | **337** | **501** |

*As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the key managerial personnel can not be individually identified.

** At each reporting period, the Group accrues employee bonuses for all the employees in aggregate, which are individually identified in the subsequent financial year. Accordingly, the current period figures includes bonus pertaining to March 2024 paid during the current period.

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*(All amounts in Rs Mn unless otherwise stated)*

## 25 Segment Reporting

**(a) Description of segments and principal activities**

The Group delivers services around the world directly and through its network of subsidiaries and overseas branches. The group is rendering Information Technology solutions and is engaged in Application Development and Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation and Logistics, Manufacturing and Distribution and Government.

The Chief Executive Officer of the Group being identified the Chief Operating Decision Maker (CODM), reviews the group's performance both from a products/ services and geographic perspective. However, CODM takes its decision for allocating resources of the entity and assessing its performance on the basis of the geographical presence of the Group across the globe and has identified four reportable segments of its business:

1. Americas
2. Europe, Middle East and Africa (EMEA)
3. Asia Pacific (APAC)
4. India

The Chief Operating Decision Maker i.e., the Chief Executive Officer (CEO), primarily uses a measure of revenue and adjusted Earnings before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA) to assess the performance of the operating segments. For this purposes, the Group calculated EBITDA by adding depreciation/ amortisation, finance costs and foreign exchange loss and reducing other income (including foreign exchange gain) from profit before income taxes. Earnings before Interest, Tax, Depreciation and Amortisation is further adjusted for event based impairments/recoveries to arrive at Adjusted EBITDA. The Group's expenses/ income, viz., depreciation/ amortisation, finance costs, foreign exchange gain/loss, event-based impairment/ recoveries, finance income and other income and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities used in the group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Accordingly, the CEO does not review assets and liabilities at reportable segments level. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

As per Ind As 108, 'Operating Segments', the Group has disclosed the segment information only as part of the consolidated financial statements.

**(b) Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)**

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

| **Particulars** | **For the period ended 30 September 2024 (Audited)** | **For the period ended 30 September 2023 (Unaudited)** |
|---|---|---|
| **Revenue from Operations** | | |
| Americas | 28,853 | 22,275 |
| Europe, Middle East and Africa | 19,631 | 17,413 |
| Asia Pacific | 4,167 | 3,175 |
| India | 1,980 | 2,109 |
| **Total** | **54,631** | **44,972** |
| **Earning before Interest, Tax, Depreciation and Amortization (EBITDA)** | | |
| Americas | 4,742 | 3,651 |
| Europe, Middle East and Africa | 2,944 | 3,128 |
| Asia Pacific | 188 | 255 |
| India | (189) | (409) |
| **Total** | **7,685** | **6,625** |
| Depreciation and amortization | 2,058 | 1,529 |
| Other income (net) | (445) | (447) |
| **Profit before tax** | **5,182** | **4,649** |
| Provision for tax | 1,453 | 1,013 |
| **Profit after tax** | **3,729** | **3,636** |

**(c)** There is no customer from which the Group derived more than 10% of the revenue.

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*(All amounts in Rs. Mn unless otherwise stated)*

**26 Business combinations**

Summary of acquisition- Cigniti Technologies Limited

On May 2, 2024, the Company entered into a share purchase agreement with the promoters and select public shareholders of Cigniti to acquire up to 54% of the share capital of Cigniti subject to completion of certain closing conditions and identified conditions precedent. Upon execution of Share Purchase Agreements, the Company also triggered a mandatory open offer to the public shareholders of Cigniti in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

On July 5, 2024, the Group acquired 27.73% of expanded equity shares in Cigniti and the Company has obtained control over the Board and operations of Cigniti. The Group is in process of concluding the fair valuation assessment and has recorded identifiable assets basis provisional fair valuation.

On November 20, 2024, 12,81,239 equity shares of Cigniti representing 4.65% of paid up equity capital have been acquired through open offer. Further, on December 20, 2024, 59,54,626 equity shares of Cigniti representing 21.62% of the paid up equity capital of Cigniti have been acquired through off-market transaction. Pursuant to these, the Holding Company's aggregate shareholding stands at 1,48,75,357 equity shares of Cigniti.

Details of purchase consideration, net assets acquired and goodwill are as follows:

| **Purchase consideration** | **Stake** | **Amount** |
|---|---|---|
| Cash paid for acquisition of 27.73% of expanded share capital stake acquired during | 27.73% | 10,725 |
| Cash consideration to be paid for 22.47% of extended share capital | 22.47% | 8,760 |
| Non Controlling interest (to be acquired pursuant to scheme of merger as per the terms of Share Purchase Agreement) | 49.80% | 18,767 |
| Total purchase consideration | **100.00%** | **38,252** |

The Group funded the above transaction, through the issue of 4,869,565 equity shares of Rs 10 each in Qualified Institutions Placement ('QIP') at an issue price of Rs. 4,600 per share (including securities premium of Rs 4,590 per share) aggregating to Rs. 22,400 Mn. Rs. 49 Mn has been adjusted towards Equity Share capital and Rs. 22,351 Mn has been adjusted towards securities premium (comprises 4,869,565 Equity Shares issued at Rs. 4,590 per Equity Share) included in 'Securities Premium'. The Holding Company had incurred expenses amounting to INR 386 Mn towards issuance of equity shares which have been debited to securities premium.

(a) The assets and liabilities recognised on the basis of provisional purchase price allocation ("PPA") as a result of the acquisition are as follows:

| Particulars | Fair value |
|---|---|
| Total Purchase Consideration (A) | **38,252** |
| Net Assets Acquired | 6,802 |
| Indentified Liabilities through Due deligence Report | (628) |
| **Identified intangible assets** | |
| Customer Contract and related Relationships | 7,853 |
| Non-compete fees | 321 |
| Deferred tax liabilities | (2,032) |
| **Net Assets acquired (B)** | **12,316** |
| **Goodwill (A-B)** | **25,936** |

The goodwill is attributable to the workforce and expected synergies of acquired business, which are not separately recognised. Goodwill is allocated to Americas segments, for impairment testing. None of the goodwill recognised is expected to be deductible for income tax purposes.

No material contingent liabilities have been acquired as part of business combination.

The acquisition related cost recognised in consolidated statement of profit and loss and other comprehensive income is Rs. 833 Mn under the head employee benefit expense and other expenses.

(i) Acquired receivables

The Group has acquired receivables having gross contractual amount and net carrying amount of Rs. 2,745 Mn. No adjustments have been made to acquired trade receivables, i.e., their fair value is the same as the carrying amount. It is expected that the full contractual amounts of receivables can be collected.

(ii) Revenue and profit contribution

The acquired business contributed revenues and profits to the group for the period 30 September 2024 as follows:

(A) The consolidated financial statement for the period include revenue from operations amounting to Rs. 4,992 mn and profit after tax amounting to Rs. 362 Mn, net of amortisation on intangible assets arising out of acquisition, for the post-acquisition period. Basis the above, the results for current period are not comparable with the previous period .

(B) If the acquisitions had occurred on 1 April 2024, consolidated pro-forma revenue and profit after tax for the period ended 30 September 2024 would have been increased/(decreased) by Rs. 4,685 Mn and Rs. 105 Mn respectively.

(b) Purchase consideration - cash outflow

| | **Amount** |
|---|---|
| Outflow of cash to acquire subsidiary, net of cash acquired | |
| Cash consideration | 10,725 |
| Less: balances acquired | |
| Cash and Bank | 1,155 |
| **Net outflow of cash – investing activities** | 9,570 |

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(c) Deferred tax liability

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

(d) Future acquisition liability

The movement of future acquisition liability of Cigniti Technologies Limited is as follows:

| Particulars | Amount |
|---|---|
| Proportionate share of net assets acquired | 8,760 |
| Add : Non-controlling share in the results for the period | - |
| Less: Dividend paid | - |
| **Proportionate share of net assets as at 30 September 2024** | 8,760 |

(This space has been intentionally left blank)

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(All amounts in Rs. Mn unless otherwise stated)

**27 Contingent liabilities and contingent assets**

**(a) Contingent liabilities**

The Group had contingent liabilities in respect of:

| | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| i) Claims against the Group not acknowledged as debts | | |
| Income tax matters pending disposal by the tax authorities | 873 | 1,087 |
| Others | 346 | 301 |
| **Total** | **1,219** | **1,388** |

ii) **Notes**

(A) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(B) The Group does not expect any reimbursements in respect of the above contingent liabilities.

**Income tax**

Claims against the Group not acknowledged as debts as on 30 September 2024 include demand from the Indian Income tax authorities on certain matters relating to availment of tax holiday and transfer pricing.

The Group is contesting these demands and the management including its tax and legal advisors believe that its position will more likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

**(b) Contingent assets**

The Group does not have any contingent assets as at 30 September 2024 and 31 March 2024.

**28 Commitments**

(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| Particulars | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| Property, plant and equipment | 1,189 | 253 |
| **Total** | **1,189** | **253** |

**29 Leases**

**Following are the notes related to Leases**

| Particulars | As at 30 September 2024 (Audited) | | | As at 31 March 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | Category of ROU asset | | Total | Category of ROU asset | | Total |
| | Buildings | Leasehold Land | | Buildings | Leasehold Land | |
| **Balance at beginning** | 2,637 | 290 | 2,927 | 2,069 | 296 | 2,365 |
| Additions | 1,247 | - | 1,247 | 1,208 | - | 1,208 |
| Additions through business combination | 144 | - | 144 | - | - | - |
| Deletions/transfers (Refer note 4(i)) | (450) | (131) | (581) | (14) | - | (14) |
| Depreciation | (421) | (2) | (423) | (647) | (6) | (653) |
| Translation difference | 37 | | 37 | 21 | - | 21 |
| **Balance at the end** | **3,194** | **157** | **3,351** | **2,637** | **290** | **2,927** |

The following is the movement in lease liabilities

| Particulars | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| Balance at the beginning | 2,894 | 2,240 |
| Additions | 1,213 | 1,131 |
| Additions through business combination | 182 | - |
| Deletions | (494) | (14) |
| Finance cost accrued during the period/ year | 122 | 204 |
| Payment of lease liabilities | (490) | (684) |
| Translation difference | 26 | 17 |
| **Balance at the end** | **3,453** | **2,894** |

The following is the break-up of current and non-current lease liabilities

| Particulars | As at 30 September 2024 (Audited) | As at 31 March 2024 (Audited) |
|---|---|---|
| Current lease liabilities | 880 | 577 |
| Non-current lease liabilities | 2,573 | 2,317 |
| **Total** | **3,453** | **2,894** |

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(All amounts in Rs. Mn unless otherwise stated)

The following are the amounts recognised in the special purpose interim condensed consolidated statement of profit and loss:

| Particulars | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|
| Depreciation expense of right-of-use assets | 423 | 289 |
| Interest expense on lease liabilities | 122 | 88 |
| Expense relating to short-term leases and leases of low-value assets (included in other expenses) | 83 | 117 |
| | **628** | **494** |

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
Rental expense recorded for short-term leases and leases of low-value assets was Rs. 83 Mn (Previous period Rs. 117 Mn) for the period ended 30 September 2024.

The Group had total cash outflows for principal portion of leases of Rs. 368 Mn (Previous period Rs. 239 Mn).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Special Purpose Interim Condensed Consolidated Statement of Profit and Loss.

**30 Share-based stock payments**
**(a) Employee stock option plan**

The establishment of the Coforge Employee Stock Option Plan 2005 (formerly NIIT Technologies Employee Stock Option Plan 2005) (ESOP 2005) was approved by the shareholders in the annual general meeting held on 18 May, 2005. The ESOP 2005 is designed to offer and grant share-based payments for the benefit of employees of the Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters). The ESOP 2005 allowed grant of options of the Company in aggregate up to 3,850,000 in one or more tranches.

This limit was increased by 1,690,175 pursuant to bonus issue in the year 2007 and further by 900,000 & 1,852,574 additional options pursuant to amendment in the ESOP Plan duly approved by the shareholders on March 27, 2020 and March 29, 2024, respectively.

Under the plan, participants are granted options which vest upon completion of such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Company for such shares at a price to be determined in accordance with ESOP 2005. Hence, the plan is equity settled for the Company.

During the period ended September 30, 2024, pursuant to Coforge Employee Stock Option Plan 2005, 1,554,800 options were granted, 3221 options were exercised from various grants, 104,208 options were forfeited or lapsed and 2,025,056 options were outstanding as on September 30, 2024.

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

| Grant Year | Fair Value at grant date | Exercise Price | Volatility* | Average Life of the Options (in Years) | Risk free Interest Rate | Dividend yield rate |
|---|---|---|---|---|---|---|
| FY 2024-25 | 2,154.9 to 6,810.3 | 10 - 5,551 | 43.77% to 44.17% | 1.01 to 5.51 | 6.52% to 7.10% | 0.35% to 1.48% |

* The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**31 Earnings per Share**

| | For the period ended 30 September 2024 (Audited) | For the period ended 30 September 2023 (Unaudited) |
|---|---|---|
| (a) Basic earnings per equity share of Rs 10 each | | |
| Attributable to the equity holders of the Company (Rs. Per share) ( Not annualised) | 51.46 | 56.64 |
| (b) Diluted earnings per equity share of Rs 10 each | | |
| Attributable to the equity holders of the Company (Rs. Per share) ( Not annualised) | 51.11 | 55.45 |
| (c) Reconciliations of earnings used in calculating earnings per share | | |
| *Basic earnings per share* | | |
| Profit attributable to the equity holders of the Company used in calculating basic earnings per share: | 3,354 | 3,463 |
| *Diluted earnings per share* | | |
| Profit attributable to the equity holders of the Company used in calculating diluted earnings per share | 3,354 | 3,463 |
| (d) Weighted average number of shares used as the denominator | | |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share (numbers) | 65,175,497 | 61,135,628 |
| Adjustments for calculation of diluted earnings per share: | | |
| Stock Options outstanding (numbers)* | 447,670 | 1,312,469 |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (numbers) | 65,623,167 | 62,448,097 |

*Stock Options outstanding
Options granted to employees under the Employee Stock Option plan 2005 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 30.

32 The Board of Directors during the period ended September 30, 2024 declared dividend of Rs. 2,442 Mn (period ended September 30, 2023 Rs.2,322 Mn).

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**Coforge Limited**
**Notes to the Special Purpose Interim Condensed Consolidated Financial Statements**

Previous year figures have been reclassified to conform to current period's classification.

As per our report of even date

For and on behalf of Board of Directors of **Coforge Limited**

**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No.101049W/E300004

**Amit Virmani**
Partner
Membership No. 504649
Place : Gurugram
Date : 27 December 2024

**Sudhir Singh**
CEO & Executive Director
DIN: 07080613
Place : Gurugram
Date : 27 December 2024

**Gautam Samanta**
Executive Director
DIN:09157177
Place : London, UK
Date : 27 December 2024

**Saurabh Goel**
Chief Financial Officer
Place : Greater Noida
Date : 27 December 2024

**Barkha Sharma**
Company Secretary
Place : Ghaziabad
Date : 27 December 2024