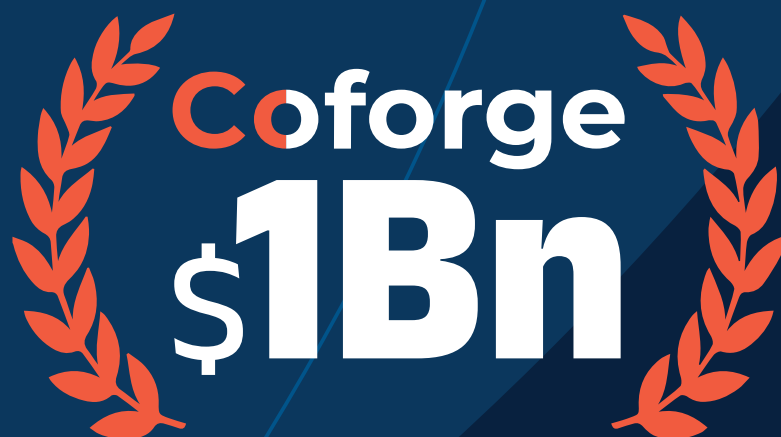


# ANNUAL REPORT 2022-23



\$ 1,000,000,000

We earned  
the third comma.

Coforge is now a billion-dollar IT services company.

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**Corporate  
Information**

## Board of Directors



**Mr. Basab Pradhan**  
Non-Executive Independent Director  
- Chairperson



**Mr. Sudhir Singh**  
CEO & Executive Director



**Mr. Hari Gopalakrishnan**  
Non-Executive Director



**Mr. Patrick John Cordes**  
Non-Executive Director



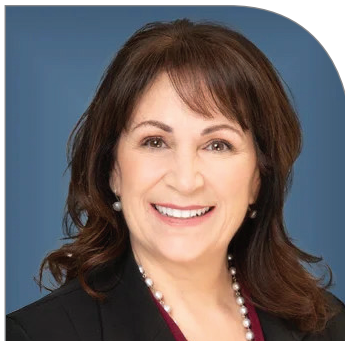
**Mr. Kenneth Tuck Kuen Cheong**  
Non-Executive Director



**Mr. Kirti Ram Hariharan**  
Non-Executive Director



**Mr. Ashwani Puri**  
Non-Executive Independent Director



**Ms. Mary Boucher**  
Non-Executive Independent Director



**Chief Financial Officer**

Mr. Ajay Kalra

**Company Secretary**

Ms. Barkha Sharma

**Auditors**

S.R. Batliboi & Associates LLP

**Financial Institutions/Bankers**

Indian Overseas Bank

ICICI Bank Limited

Citibank NA

Wells Fargo Bank

Deutsche Bank

Sumitomo Mitsui Banking Corporation

**Registered Office**

Coforge Limited

8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji

New Delhi-110019, India

Email: [investors@coforge.com](mailto:investors@coforge.com)

Tel: +91-11-41029297

**Registrar & Share Transfer Agent**

Alankit Assignments Limited

Unit- Coforge Limited

4E/2, Jhandewalan Extension

New Delhi-110055

Tel: +91-11- 42541234, 42541953

Fax: +91-11-42541201

Email: [rta@alankit.com](mailto:rta@alankit.com)

**Coforge Limited Website**

Corporate Website: [www.coforge.com](http://www.coforge.com)

All trademarks acknowledged.

## COFORGE LIMITED

(CIN NO. L72100DL1992PLC048753)

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### NOTICE

#### **NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING (“THE AGM”)**

Notice is hereby given that the Thirty-first Annual General Meeting (AGM) of the Members of Coforge Limited will be held on Thursday, July 06, 2023 at 09:00 A.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Mode (OAVM) facility to transact the following businesses:

#### **ORDINARY BUSINESS**

- To receive, consider and adopt:
  - the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss for the year ended on that date, together with Report of the Auditors thereon;
- To confirm Interim Dividend aggregating to INR 64 per equity share of the face value of INR 10 each for the Financial Year 2022-23.
- To appoint a Director in place of Mr. Sudhir Singh (DIN: 07080613) who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Kenneth Tuck Kuen Cheong (DIN: 08449253) who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS**

- To approve commission payable to Mr. Basab Pradhan (DIN: 00892181) as an Independent Director of the Company and as Chairperson of the Board.

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 197 and any other provisions or Rules as framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) as amended from time to time, Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members be

and is hereby accorded to pay commission to Mr. Basab Pradhan (DIN: 00892181), Independent Director and Chairperson of the Company in addition to fee payable to him for attending the meetings of the Board or Committees thereof and reimbursement of expenses for participation in the Board and other meetings as set out in the explanatory statement annexed to the notice.”

- To consider and approve remuneration to Mr. Sudhir Singh (DIN: 07080613) as an Executive Director of the Company.

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:-**

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”), the relevant provisions of the Memorandum and Articles of Association of the Company and Nomination and Remuneration Committee and board of directors of the company and subject to such other necessary approvals from the appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, the consent of the shareholders of the Company be and is hereby accorded for payment of remuneration to Mr. Sudhir Singh (Director Identification Number: 07080613), who was appointed as CEO & Executive Director of the Company at the Annual General Meeting held on July 23, 2020, as set out in the Explanatory Statement, in excess of prescribed limit of 5% and upto 10% under section 197 of the Act, in any financial year(s) respectively during his remaining tenure as the Executive Director of the Company;

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorised to revise/amend the terms of remuneration payable to Mr. Sudhir Singh within the overall cap as approved by the shareholders.

**RESOLVED FURTHER THAT** any Director or CFO or Company Secretary be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** a copy of this resolution certified to be true by any Director or Company Secretary be furnished to any concerned authorities for necessary action.”

**By the Order of the Board  
For Coforge Limited**

**Sd/-**

**Barkha Sharma**

**Company Secretary**

**Membership No. ACS 24060**

**Place: Greater Noida**

**Date: June 01, 2023**

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### NOTICE

#### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out the material facts with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. The Board of Directors of the Company at their meetings considered that the special business under Item Nos. 5 & 6 being considered unavoidable, be transacted at the 31st AGM of the Company. The relevant details as required pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of the person seeking appointment/re-appointment as Director under Item Nos. 3 & 4 of the Notice, are also annexed.
2. The Ministry of Corporate Affairs (“MCA”) vide its circulars dated April 08, 2020, April 13, 2020, May 05, 2020, June 15, 2020, September 28, 2020, December 31, 2020, and January 13, 2021, May 05, 2022 and December 28, 2022 (referred as ‘MCA Circulars’) and SEBI vide its Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, and Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. (referred as ‘SEBI Circular’) SEBI/HO/CFD/ CMD2/ CIR/P/2022/62 dated May 13, 2022 have permitted the holding of Annual General Meeting through Video Conferencing/ Other Audio Video Mode (VC/OAVM) **without the physical presence of members at a common venue**. In compliance with the provisions of the MCA & SEBI Circulars, the AGM of the Company is being held through VC/OAVM on July 06, 2023 at 09:00 AM IST through VC/OVAM.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and the proxy need not be a member of the Company. In terms of MCA Circulars and SEBI Circulars, since the AGM is being held through VC/ OAVM, physical presence of the members have been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this notice.
4. Members attending the meeting through VC/OAVM shall be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
5. Corporate Members including Institutional Shareholders (i.e. other than individuals /HUF, NRI, etc.) are requested to send scanned copy of the certified true copy of the Board Resolution/ authorisation etc. authorizing their authorized representative to attend the AGM through VC/ OAVM and vote on their behalf through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [officenns@gmail.com](mailto:officenns@gmail.com) with a copy marked to [investors@coforge.com](mailto:investors@coforge.com).
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before **Wednesday, July 05, 2023 by 05:00 P.M.** through email on [investors@coforge.com](mailto:investors@coforge.com). The same will be replied by the Company suitably.
7. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to their Depository Participants (‘DPs’) in case the shares are held by them in electronic form and to RTA Alankit Assignments Limited in case the shares are held by them in physical form in the prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/687 dated December 14, 2021.
9. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website.
10. In terms of provisions of Companies Act, 2013, Members desirous of appointing their Nominees for the shares held by them may apply in the Nomination Form (Form - SH 13). Member desirous to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company’s website. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

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11. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation. Members are advised to dematerialise the shares held by them in physical form. Members may contact the Company in this regard.
12. As per the provisions of SEBI circular no. DCC/FITTCIR-3/2001 dated October 15, 2001 and circular no. CIR/MRD/DP/10/2013 dated March 21, 2013, Every Company is mandatorily required to use Electronic Clearing System (ECS/NEFT/RTGS) facility for distributing dividends or other cash benefits to investors wherever applicable. Currently ECS facility is available at locations specified by RBI. In view of the above, the shareholders holding shares in physical form are requested to provide to Registrar and Share Transfer Agent i.e. Alankit Assignments Limited, Alankit Heights, RTA Division, Unit: Coforge Limited 4E/2 Alankit House, Jhandewalan Extension, New Delhi – 110055, for changes, if any, in their address and bank mandates, so that all future dividends can be remitted through ECS. In case of shareholders staying at locations not covered by ECS, the bank details shall be printed on the Dividend Warrants so as to protect against any fraudulent encashment of the same. The Shareholders can obtain a copy of the ECS Mandate Form from the Registered Office of the Company or can download from the website of the Company at [www.coforge.com](http://www.coforge.com). In respect of members who hold shares in dematerialized form, their Bank Account details, as furnished by their Depositories to the Company, will be printed on their Dividend Warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of or change in Bank Account details. Members who wish to change their Bank Account details are therefore requested to advise their Depository Participants about such change. We encourage members to utilize Electronic Clearing System (ECS) for receiving Dividends.
13. Pursuant to the Companies Act, 2013, read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, all unclaimed/ unpaid dividend for the Financial Year ended on March 31, 2015, have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government during the year. Members who have not so far encashed Dividend Warrant(s) for the financial year ended March 31, 2016 and thereafter are requested to approach the Company by writing a letter to the Company at its Registered Office address immediately. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). For details, please refer to corporate governance report which is a part of the Annual Report. Pursuant to the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the information in respect of the Unclaimed Dividends on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under “Investors Section” on the website of the Company viz. [www.coforge.com](http://www.coforge.com).
14. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof, the shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
15. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail at the time of declaration of dividend at [investors@coforge.com](mailto:investors@coforge.com). Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act (“the Act”), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable. Non-



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resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to the Company at [investors@coforge.com](mailto:investors@coforge.com)

16. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:
  - a) the change in the residential status on return to India for permanent settlement, and
  - b) the particulars of the NR account with a bank in India, if not furnished earlier.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
18. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act, and the Certificate from the Secretarial Auditors in respect of the Company's Employee Stock Option Scheme will remain available for inspection through electronic mode during the AGM, for which purpose Members are required to send an e-mail to the Company at [investors@coforge.com](mailto:investors@coforge.com)
19. Relevant documents referred to in the proposed resolutions as mentioned in the Notice are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Further, in order to facilitate payment of dividends, SEBI vide its circular dated April 20, 2018 has mandated the Company/ RTA to obtain copy of PAN Card and Bank Account details from all the members holding shares in physical form. Accordingly, members holding shares in physical form shall submit their PAN and bank details to the Registrar and Transfer Agent of the Company i.e. Alankit Assignments Limited at 4E/2, Jhandewalan Extension, New Delhi 110055.
21. Pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rules, 2014, the Company shall provide in advance an opportunity at least once in a Financial Year to the Members to register their E-mail address and changes therein either with Depository Participant or with the Company. In view of the same, the Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Notices of all General Meetings, Directors' Report, Auditors' Report, Audited Financial Statements and other documents through electronic mode, pursuant to the provisions of the Companies Act, 2013 read with the rules framed thereunder.
22. Members desirous of obtaining any information/ clarification concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting. Members may also note that the Notice and Annual Report for the Financial Year 2022-23 will also be available on the Company's website at [www.coforge.com](http://www.coforge.com).
23. Since the AGM will be held through VC/ OAVM, the Route map is not annexed to the Notice.
24. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.coforge.com](http://www.coforge.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nSDL.com](http://www.evoting.nSDL.com)

#### INFORMATION ON REMOTE EVOTING:

1. Pursuant to Regulation 44 of the SEBI Listing Regulations and Section 108 of the Companies Act, 2013, Rule 20 of

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- the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company has provided a facility to its members to cast their votes on resolutions as set forth in the Notice convening the 31st Annual General Meeting to be held on **Thursday, July 06, 2023 at 09:00 A.M. (IST)**, electronically through the e-voting service provided by NSDL. Resolution(s) passed by the Members through e-voting is/ are deemed to have been passed as if they have been passed at the Annual General Meeting. **The e-voting facility will commence from 09:00 A.M. (IST) on Sunday, July 02, 2023 and ends at 05:00 P.M. (IST) on Wednesday, July 05, 2023.** The e-voting module shall be disabled by NSDL for voting thereafter. During this period the members holding shares either in physical form or in dematerialized form, as on the cut-off date for e-voting i.e. **Thursday, June 29, 2023** may cast their votes electronically.
- Those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
  - Mr. Nityanand Singh, Company Secretary in Practice (Membership No. - FCS-2668) and proprietor M/s Nityanand Singh & Co., Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner by the Board.
  - The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
  - The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
  - Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
  - Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes.
  - The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results of the voting will be announced by the Chairman of the Company or Company Secretary of the Company duly authorized on or before July 07, 2023 and communicated to the Stock Exchanges, Depositories and shall also be displayed on the website of the Company i.e. HYPERLINK "<http://www.coforge.com>" [www.coforge.com](http://www.coforge.com) and on the website of NSDL i.e. HYPERLINK "<http://www.nsdl.co.in>" [www.nsdl.co.in](http://www.nsdl.co.in)
  - The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.coforge.com](http://www.coforge.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

**The remote e-voting period begins on Sunday, July 02, 2023 at 09:00 A.M. and ends on Wednesday, July 05, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, June 29, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cutoff date, being Thursday, June 29, 2023.**

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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**NOTICE**

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="680 1140 1097 1381" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div> |
| Individual Shareholders holding securities in demat mode with CDSL  | <ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>  |

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|  |  |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000                    |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

| Login type   | Helpdesk details   |  |                  |  |   |  |   |   |   |
|--|--|--|------------------|--|---|--|---|---|---|
| <b>B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.</b>   |  |  |                  |  |   |  |   |   |   |
| <b>How to Log-in to NSDL e-Voting website?</b>   |  |  |                  |  |   |  |   |   |   |
| <ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.<br/><i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i></li> </ol> |  |  |                  |  |   |  |   |   |   |
| 4.   | Your User ID details are given below :   |  |                  |  |   |  |   |   |   |
|  | <table border="1"> <thead> <tr> <th>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</th> <th>Your User ID is:</th> </tr> </thead> <tbody> <tr> <td>a) For Members who hold shares in demat account with NSDL.</td> <td>8 Character DP ID followed by 8 Digit Client ID<br/>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</td> </tr> <tr> <td>b) For Members who hold shares in demat account with CDSL.</td> <td>16 Digit Beneficiary ID<br/>For example if your Beneficiary ID is 12***** then your user ID is 12*****</td> </tr> <tr> <td>c) For Members holding shares in Physical Form.</td> <td>EVEN Number followed by Folio Number registered with the company<br/>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</td> </tr> </tbody> </table> | Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: | a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. | b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12***** | c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical   | Your User ID is:   |  |                  |  |   |  |   |   |   |
| a) For Members who hold shares in demat account with NSDL.   | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.  |  |                  |  |   |  |   |   |   |
| b) For Members who hold shares in demat account with CDSL.   | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****  |  |                  |  |   |  |   |   |   |
| c) For Members holding shares in Physical Form.  | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***  |  |                  |  |   |  |   |   |   |



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|    |  |
|----|--|
| 5. | <p>Password details for shareholders other than Individual shareholders are given below:</p> <p>a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.</p> <p>b) How to retrieve your 'initial password'?</p> <p>(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.</p> <p>(ii) If your email ID is not registered, please follow steps mentioned below in <b>process for those shareholders whose email ids are not registered.</b></p> |
| 6. | <p>If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:</p> <p>a) Click on "<b>Forgot User Details/Password?</b>" (If you are holding shares in your demat account with NSDL or CDSL) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.</p> <p>b) <b>Physical User Reset Password?</b> (If you are holding shares in physical mode) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.</p> <p>c) If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> mentioning your demat account number/folio number, your PAN, your name and your registered address etc.</p> <p>d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL</p>   |
| 7. | After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.   |
| 8. | Now, you will have to click on "Login" button.   |
| 9. | After you click on the "Login" button, Home page of e-Voting will open.  |

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [officenns@gmail.com](mailto:officenns@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Investors@coforge.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Investors@coforge.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at Investors@coforge.com. The same will be replied by the company suitably.
6. Shareholders who would like to participate as speaker shareholder during the AGM may send their request on or before Tuesday, July 04, 2023 mentioning their name demat account number/folio number, email id, mobile number to Company's email Id. investors@coforge.com. Those Members who have registered themselves as a speaker will only be allowed to ask questions during the AGM, depending upon the availability of time. The same will be replied by the company suitably.

**By the Order of the Board  
For Coforge Limited**

**Sd/-**

**Barkha Sharma**

**Company Secretary**

**Membership No. ACS 24060**

**Place: Greater Noida**

**Date: June 01, 2023**

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### NOTICE

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND IN TERMS OF REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“SEBI LISTING REGULATIONS”) IS GIVEN BELOW**

##### **ITEM NO. 05**

The members of the Company in the 29th Annual General Meeting held on July 30, 2021 had approved the appointment of Mr. Basab Pradhan as Independent Director and Chairperson of the Board for a period of 3 years w.e.f June 29, 2021 upto June 28, 2024 at the mutually agreed terms and conditions. The Board in its meeting held on April 27, 2023 considered and approved the commission to be paid to Independent Directors for the FY23 on the recommendation of the Nomination and Remuneration Committee. Pursuant to Regulation 17(6) of the SEBI Listing Regulations, 2015 as amended effective from April 01, 2019, if remuneration of a single Non-Executive Director exceeds 50% of the total annual remuneration payable to all non-executive directors, then approval of shareholders by special resolution is required for payment of the same. The amount of commission to be paid to Mr. Basab Pradhan for FY23 is USD 220,000 in addition to sitting fees payable to him for attending the meetings of the Board or Committees thereof and reimbursement of expenses for participation in the Board and other meetings.

Since, the commission payable to Mr. Basab Pradhan exceeds 50% of the total annual remuneration payable to all non-executive directors, the approval of shareholders by way of special resolution is required as per the SEBI Listing Regulations, 2015 (as amended).

The Board hereby recommends approval of shareholders by way of Special Resolution as set out in Item No. 05 above.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Basab Pradhan are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 05 of this Notice.

##### **ITEM NO. 06**

The Members may be apprised that Mr. Sudhir Singh was appointed as CEO & Executive Director of the Company for a period of 5 years from January 29, 2020, upto January 28, 2025. The Shareholders of the Company had approved the terms of appointment along with the remuneration of Mr. Singh in the Annual General Meeting held on July 23, 2020. Further, the Board members was authorized to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time for Mr. Singh subject to such remuneration payable to be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act').

Mr. Singh was granted certain ESOPs in prior years, which may be due for vesting and exercise in FY24 and FY25. If such ESOPs vest, the remuneration of Mr. Singh, may exceed the 5% threshold under Section 197 of the Act, in any financial year(s) respectively during his remaining tenure as the Executive Director of the Company, purely on account of vesting and exercise of such ESOPs.

The members may also note that the cash payout to Mr. Singh is well under the limit of 5% as set out in Section 197 that was originally approved by the shareholders at the AGM held on July 23, 2020.

The Members are therefore requested to consider passing a special resolution on the basis of the facts and circumstances reproduced below:

1. Mr. Singh has been discharging his duties as the CEO since May 2017. He was appointed as the Executive Director in January 2020. He is an IIT / IIM alumnus and has worked with Hindustan Unilever, Infosys and Genpact before joining Coforge. He is based out of New Jersey, US. The Company has immensely benefitted under his leadership resulting in a multifold increase in shareholder value.

2. Under Mr. Singh's leadership, the Company has grown from INR 28,021 Mn (equivalent USD 417 Mn) in Revenues in FY17 to INR80,146 Mn (equivalent USD 1,002 Mn) in FY23, with CAGR growth of 19.1% in revenues and CAGR growth of 21.7% in PAT over last 6 years, including FY21 which was significantly impacted because of Covid.

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(i) Beyond revenue and profitability, all operating metrics related to execution have improved materially.

| S. No. | Operating Metric               | FY17  | FY23  |
|--------|--------------------------------|---|---|
| 1      | Market Capitalization          | INR 2,669 Crores <sup>(1)</sup> or US\$412 Mn | INR 27,001 Crores <sup>(2)</sup><br>Or US\$3.3 Bn |
| 2      | Order intake                   | US\$457 Mn                                    | US\$1,265 Mn                                      |
| 3      | 12-month executable order book | US\$320 Mn                                    | US\$869 Mn  |
| 4      | No of >\$1 Mn Clients          | 73  | 145   |
| 5      | No of employees                | 8,853   | 23,224  |
| 6      | Offshoring revenue             | 40%   | 50%   |
| 7      | Debtors to Sales Outstanding   | 64  | 61  |

(1) As of March 31, 2017

(2) As of May 29, 2023

| S. No. | Shareholder's Return | FY14-17 | FY17-FY23 |
|--------|----------------------|---------|-----------|
| 1      | Coforge TSR(3)       | 150%    | 1056%     |
| 2      | NIFTY TSR            | 61%     | 204%      |

(3) TSR = Total Shareholder's Return

3. Accordingly, the approval from Members is sought on the recommendation of Nomination & Remuneration Committee & Board of Directors of the Company for approving the remuneration of Mr. Sudhir Singh (Director Identification Number: 07080613) as Executive Director & CEO that may exceed the limits specified above for his remaining tenure till January 28, 2025.

Except Mr. Singh, no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

Place: Greater Noida

Date: June 01, 2023

**By the Order of the Board  
For Coforge Limited  
Sd/-  
Barkha Sharma  
Company Secretary  
Membership No. ACS 24060**

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**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO ITEM NOS. 3 & 4 OF THE AFORESAID NOTICE, AS REQUIRED UNDER REGULATION 36 OF (SEBI LISTING REGULATIONS) AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2) ARE PROVIDED HEREIN BELOW:**

**Brief profile of Mr. Sudhir Singh (DIN: 07080613)**

Mr. Sudhir is the Chief Executive Officer of Coforge and serves on the company's Board of Directors. He joined Coforge in May 2017.

Mr. Sudhir brings experience across Unilever (Hindustan Lever), Infosys and Genpact to bear on his current role at Coforge. He has 24 years of industry experience with an exceptional track record of execution, driving robust revenue and margin growth simultaneously, executing business turnarounds and orchestrating successful acquisitions.

As the CEO and Executive Director of the firm Sudhir charted the "Transform at the Intersect" growth strategy of the organization. Under this construct the firm has logged industry leading growth and profits by hyper-focusing on the Financial Services and Travel industries.

The "Engage with the Emerging" technologies vision of the firm has allowed it to incubate and industrialize emerging technologies including Cognitive, Blockchain and Automation. Sudhir remains personally and intensely engaged with the firm's clients to ensure that the execution rigor remains intact.

As an author and a public speaker, Sudhir regularly communicates his views about the changing industry landscape, the workforce of tomorrow, tech disruption in the Financial Services industry, and change /growth leadership. He is a strong advocate for inclusion in the workplace; and for building bridges with academia.

Sudhir started his career in 1995 with Unilever (Hindustan Lever). During his six-year Sales and Brand Management stint with Unilever in India Sudhir won the prestigious Hindustan Lever Chairman's Award "for exceptional performance".

Subsequently, he spent close to a decade with Infosys in the US. He was an Invitee to the Infosys Management Committee, the Head of the Infosys South-West Geo and also founded and ran the Infosys Global BFS Payments and Cards Portfolio.

At Genpact, Sudhir was the Chief Operating Officer of the Capital Markets and IT Services business. He played a key role in the acquisition and subsequent integration of Headstrong Technologies. During the integration period he served as a Managing Director of Headstrong between 2012-14.

Sudhir is a graduate of the Indian Institute of Technology and the Indian Institute of Management.

He is based in Princeton, New Jersey.

**Brief profile of Mr. Kenneth Tuck Kuen Cheong (DIN: 08449253)**

Mr. Kenneth Tuck Kuen Cheong is a Partner and a Member of the Investment Committee of BPEA EQT, part of EQT AB, a global investment organisation. Joining BPEA EQT in 1998, Mr. Cheong has been involved in the firm's investments in Southeast Asia, China, Korea, U.S. and India.

Mr. Cheong was previously a Manager with BZW Asia for three years, where he was involved in corporate finance and M&A in Asia. Prior to that, Mr. Cheong spent three years with DBS Bank, where he was involved in credit, marketing and loan syndications.

Place: Greater Noida

Date: June 01, 2023

**By the Order of the Board  
For Coforge Limited  
Sd/-  
Barkha Sharma  
Company Secretary  
Membership No. ACS 24060**

**COFORGE LIMITED**

(CIN NO. L72100DL1992PLC048753)

8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji, New Delhi – 110 019, India

Tel.:+91- 011-41029297; Email : investors@coforge.com

Corporate Website : www.coforge.com

**NOTICE**

Other details are provided herein below:

| <b>Particulars</b>   | <b>Mr. Sudhir Singh<br/>(DIN: 07080613)</b>  | <b>Mr. Kenneth Tuck Kuen Cheong<br/>(DIN: 08449253)</b>  |
|--|--|--|
| <b>Age</b>   | 51   | 55   |
| <b>Qualification</b>   | Graduated from IIT and IIM   | Graduated with first Class Honors in Econometrics and Mathematical Economics from London School of Economics |
| <b>Experience (including expertise in specific functional area)</b>                                | Please refer profile.  |  |
| <b>Date of first appointment on the Board</b>  | 29-01-2020   | 17-05-2019   |
| <b>Shareholding in the Company as on March 31, 2023</b>  | 2,34,087   | Nil  |
| <b>Relationship with other Director/ KMP's</b>   | None   | None   |
| <b>Number of Meetings of Board attended during the Year</b>  | 7  | 5  |
| <b>Membership / Chairmanship of Committees of other Companies</b>                                  | Nil  | Nil  |
| <b>Directorships held in other Companies (excluding foreign companies and Section 8 Companies)</b> | 1. Coforge Smartserv Ltd<br>2. Coforge DPA Pvt Ltd<br>3. Coforge SF Pvt Ltd<br>4. Coforge Business Process Solutions Pvt Ltd | Nil  |

**Note:** For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report.

None of the above Directors were on the Board of any other listed entity in past three years.



## Corporate profile- FY 23

Coforge is a global digital services and business solutions provider with in-depth domain expertise that specializes in selected industry verticals.

The company strategy is rooted in providing capability at scale with focus on emerging technologies. We have a solid track record in delivery execution to drive outcomes, all built on a culture of strong employee, partner & client centricity. This enables Coforge to have a real-world business impact for our clients.

The company has a global presence, operating out of 21 countries, with 26 delivery centers spread across US, Europe, Middle-east, India, Asia and Australia. We have 23,000+ technology and process experts who engineer, design, consult, operate, and modernize client systems across the world.

The company prides itself on strong employee engagement resulting in one of the lowest attrition levels across the industry, a testament to the company's culture. This employee-centricity was re-enforced in 2022 when Coforge was recognized as a "Great Place to Work".

The company vision is to "Engage with the Emerging", this underlines our commitment to accelerate business change for clients and their customers by leveraging emerging technologies. To achieve this, the company provides proven capabilities in product engineering, digital solutions, data analytics, artificial intelligence/machine learning (AI/ML), experience, cloud,

business process re-engineering, and digital process automation and Low Code/No Code platforms.

The company mission is to "Transform at the Intersect", providing insights into how our global engineering teams apply in-depth business knowledge and technology expertise to help clients transform their businesses. We have applied this approach to provide business solutions within our chosen industry verticals re: Banking & Financial Services, Insurance, and Travel, Transport and Hospitality. Examples include 20022 payments processing, coreless and open banking, geolocation-aware wayfinding, Airplane turnaround efficiency, underwriting workbench and exposure management.

The company's products, solutions and services are supported by a strong partnership network with world leading software providers such as Microsoft, Amazon Web Services (AWS), Google, Pegasystems, Appian, Salesforce, ServiceNow, and Duck Creek.

The company's innovation group supports our strategy to leverage emerging technologies to provide leading-edge solutions for our clients, examples include Generative-AI, Web3 and Metaverse. The group is creating frameworks, accelerators and applications that use core capabilities such as video analytics, advanced natural language processing, smart contracts, and large language models to provide solutions in areas such as fraud analytics and anomaly detection. A good example is our generative-AI ready platform "Quasar", this has already been used in over 100 use cases for our clients. The group has also created a number of enterprise solutions that enable our clients to use the metaverse and augmented reality, these include uses cases such as virtual bank branch, supplier on-boarding, try-before-you-buy experiences, digital humans, and 3-D wayfinding.

Having established a solid presence in these 3 sectors, the company is now aiming to grow its footprint in Retail/CPG, Healthcare, Hi-tech, Manufacturing, and Public Sector outside of India.

## Foreword- The Year Gone By...

FY23 was a milestone year for the firm. We earned the third comma. We crossed the US\$ 1 Billion revenue mark. We believe we shall look back at FY23 as not just the year where we crossed the US\$ 1 Bn revenue mark but also as a year where we laid the foundation for an accelerated growth journey toward the next revenue milestone of US\$ 2 billion through significant investments to enhance the firm's capabilities.

In FY23 the firm registered consolidated revenue of US\$ 1,001.7 million and clocked a growth of 22.4% in CC terms. The revenue performance for the year was in line with the track record of meeting and exceeding the revenue guidance every year for the last six years. In FY23 the gross margin of the firm increased by 55 bps to 32.5%. The increase allowed the firm to significantly expand our investments in sales and capability build throughout the year. The adjusted EBITDA margin stood at 18.3%. FY23 was a landmark year as the firm signed 11 large deals through the year, of which 2 were over US\$ 50 million and 5 were over US\$ 30 million. The firm signed 44 new logos. The deal pipeline continues to be both robust and resilient. The executable order book over the next 12 months stands at a record US\$ 869 million as on March 31, 2023.

The firm continued to grow its operation and delivery capabilities and worked on emerging technologies and digital transformation initiatives for its clients.

In the BFS business, a tier 1 bank recently appointed Coforge as their strategic data & analytics partner to help them accelerate their cloud adoption, analytics, and visualization initiatives across the bank. Coforge leveraged strong partnerships with AWS, Snowflake, Databricks, and Microsoft and drove their transformation programs, and delivered best-in-class solutions.

In the Insurance sector, Coforge continued to grow its Property and Casualty business, all on the back of successful implementations and upgrades of Duckcreek platform across the US and Europe and successful expansions in Australia and NZ. For a leading US life & annuity insurance carrier the firm successfully completed a major enterprise-wide business transformation program to simplify its processes and drive operational efficiency, thereby delivering significant cost savings. Coforge also helped a 'Top 100 US Carrier' successfully complete

a multi-year Tax Compliance program, enhancing their legacy Policy Admin System to ensure that their Life Insurance products were compliant with the latest IRS regulations.

In the TTH business, the firm successfully enabled a leading airline's major transformation journey involving one of the largest and most complex migrations of Airline Passenger Service Systems.

Pega continued to be a strength for Coforge. The firm closed a major 18-month program of work for a global bank combining Pega, Data, and Quality Engineering capabilities and drove its digital transformation agenda. Coforge saw sustained growth in the Salesforce business, underpinned by new industry-specific solutions. The firm continued to explore and invest in the Metaverse Center of Excellence. In collaboration with the technology partners, the firm developed expertise that enabled the creation of digital humans. Coforge worked with customers to help them integrate digital humans, along with AI and Chatbots and created life-like customer experiences within the metaverse.

Recognizing the importance of Cyber Security, the firm invested to extend its services in this area, adding threat intelligence services to its portfolio. Coforge can now leverage its advanced capabilities in areas such as Dark Web & Deep Web Monitoring, Brand Protection, and Cyber Threat Intelligence to help secure the safety and privacy of information assets.

The firm's constant endeavor has been to upskill employees globally and it continues to invest in technical and domain training and certification programs in AWS, Pega, Appian, Salesforce, Microsoft Azure, ServiceNow, GCP, and ISTQB. Coforge has learning programs such as "How to Navigate Leadership Transitions" and "How to Build Digital Excellence" to ensure the all-round development of its teams.

Our employees continued to be the architects of our growth journey. The total headcount of the firm at the end of FY23 stood at 23,224. The attrition stood at 14.1%. Coforge remained one of the lowest attrition firms across the industry. Coforge prides itself on the commitment reflected over the years in one of the highest employee retention and lowest employee attrition rates.

To mark the US\$ 1 Billion revenue milestone the firm gifted all active employees globally with an Apple iPad.

Summing up, FY23 was a milestone year, when we crossed a coveted milestone and laid the foundation for our next revenue milestone of US\$ 2 Billion.

Sudhir Singh,  
 Chief Executive Officer,  
 Coforge Ltd.



## Board's Report

To,

The Members, Your Directors are pleased to present the Thirty-first Annual Report on the business and operations of your Company along with the audited annual accounts for the financial year ended March 31, 2023 (FY2023). The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL PERFORMANCE OF THE COMPANY

The highlights of the performance results for the FY 2023 are as follows:

| Particulars   | FY                      | FY            | FY                    | FY            |
|---|-------------------------|---------------|-----------------------|---------------|
|   | 2022-23                 | 2021-22       | 2022-23               | 2021-22       |
|   | Consolidated financials |               | Standalone financials |               |
| Income from operations                                  | 80,146                  | 64,320        | 42,305                | 33,132        |
| Other Income  | 619                     | 518           | 5,879                 | 4,005         |
| <b>Total Income</b>                                     | <b>80,765</b>           | <b>64,838</b> | <b>48,184</b>         | <b>37,137</b> |
| Profit before depreciation, exceptional items and taxes | 12,620                  | 10,887        | 9,835                 | 7,753         |
| Depreciation  | 2,585                   | 2,272         | 1,087                 | 838           |
| Exceptional Item  | 523                     | 0             | 523                   | -             |
| Provision for tax & (deferred tax)                      | 2,061                   | 1,468         | 900                   | 470           |
| Non-Controlling Interest                                | 513                     | 530           | -                     | -             |
| Profit After Tax  | 6,938                   | 6,617         | 7,325                 | 6,445         |
| Earnings Per Share (Basic) (In Rs.)                     | 113.77                  | 109.02        | 120.12                | 106.19        |

### BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR AND STATE OF THE COMPANY'S AFFAIRS

#### Operating highlights

The financial year under review has been a special one having achieved the coveted landmark of Coforge joining the US\$ 1 billion revenue club. The US\$ 1 billion revenue milestone has been achieved by Company's relentless focus on its areas of expertise in the chosen verticals. Company's investments in building capability in the areas such as cloud computing, digital services, low-code and no-code applications, AI and so on helped fortify these areas of expertise in the chosen verticals. This was also a year when we laid the foundation for our growth journey towards the next milestone of US\$ 2 billion in revenue through significant investments and initiatives to materially enhance firm's leadership, capabilities, and execution prowess.

We continued overhauling top leadership to include executives who have seen large-scale operations and expanding its reach across key verticals, service lines and selected geographies to set foundation for the next leg of growth.

The Company's intense focus on execution led to robust deal signing with the total executable order book for the next 12 months at a record US\$ 869 million, an increase of 20.7% on a year-on-year basis. The total order intake through the year stood at US\$ 1.3 billion registering an increase of 9.9% on a year-on-year basis. Winning regular large deals has been one of the Company's hallmarks for its sustained growth. During the FY 2023, Coforge signed 11 large deals across its focused verticals and breadth of capabilities. This included two large deals of US\$ 50+ million TCV, one each in BFS and Insurance space. The Company also signed 5 large deals of US\$ 30+ million plus TCV contracts during the year.

The continued growth momentum was coupled with retaining company's vibrant and conducive work culture. The Company believes in continuously raising the bar and being an employer of choice; a testimonial to this being Coforge certified as both 'Great Place to Work' and 'Best Workplaces for Women India', second year in a row. During fiscal year 2023, Coforge was also recognized among India's Best Workplaces in IT & IT-BPM 2022 – Top 50. These external accolades in the employee engagement were reflected in the Company's attrition (LTM) number, which stood at 14.1% as of 31st March 2023 as compared to 17.7% 31<sup>st</sup> March 2022. Coforge's attrition rate continues to be the best among the IT industry.

#### Financial highlights

On a consolidated basis, revenues increased 24.6% to Rs. 80,146 million in FY 2023 from Rs 64,320 million in FY2022. The growth was led by BFS vertical which grew 47.0% in constant currency ('cc') terms in FY23 and contributed 30.7% to the total revenues. The TTH vertical grew 21.5% in cc terms and contributed 19.1% of the total revenues. The Insurance vertical saw a decline of 3.7% in cc terms and contributed 22.6% of the total revenues. Other verticals collectively grew 23.1% year-on-year in cc terms and they represented 27.5% of the overall revenues.

For the full year FY23, Company's gross margin increased by 55 bps to 32.5% and Company has significantly invested in the front end leadership and capability enhancements throughout the year. EBITDA (before ESOP costs) increased by 21.5% during the year and stands at Rs. 14,649 million, translating into margin of 18.3% for the year. EBIT increased by 29.1% and stands at Rs. 11,468 million, resulting in margin of 14.3%, an improvement of 50 bps over the previous year.

The net profits (after minority interest) and excluding one-offs for the year increased by 22.7% and stood at Rs. 8,117 million, implying a net margin of 10.1%. The effective tax rate (excluding one-offs) for the year stood at 20.4% as against 17.0% in the previous year.

During the financial year, we added net 724 people to our headcount. Total headcount of the firm stood at 23,224, at the end of FY23. The firm added 480 fresh graduates from college in Fiscal 2023.

The **Management's Discussion & Analysis (MD&A)** of the Company's global business during the year under review as well as business outlook, along with a discussion of internal controls & risk management and mitigation practices, appears separately in this Annual Report.

### Consolidated financial statements

The consolidated financial statements are enclosed in addition to the standalone financial statements pursuant to section 129(3) of the Companies Act, 2013 read with all relevant Rules and amendments thereto & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, prepared in accordance with the Accounting Standards prescribed by ICAI in this regard. The consolidated Financial Statements together with Auditors Report thereon form the part of the Annual Report.

### Return of surplus funds to Shareholders (Dividend)

During the FY23, we continuously followed the practice of returning of surplus cash available with the Company to the shareholders and based on the Company's performance, the Directors have declared four interim dividends, of INR 64 per equity share involving a cash outflow of INR 390.60 crores aggregating during the year.

### Transfer to Reserves

During the year, the Company has not transferred any amount to the General Reserves.

### Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the Report & change in nature of business, if any

There have been no material changes and commitments affecting the financial position of the Company subsequent to the close of the Financial Year to which Financial Statements relate and the date of the Report.

## COMPANIES ACT DISCLOSURES & CORPORATE GOVERNANCE

### Annual Return

As required, pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 every company shall place the copy of annual return on the website of the Company, if any and shall provide the web-link of the same in this report.

Since the Company has a website the Annual return is uploaded on the website of the Company and the web link for the same is <https://www.coforge.com/investors/statutory-disclosures>

### Directors

The Company has appointed Ms. Mary Beth Boucher (DIN: 09595668) as Additional Director (Woman – Non Executive

Independent Director) w.e.f. May 07, 2022. The current composition of the Board of the Company is as under:

| Name of the Director & DIN              | Designation                                  |
|---|--|
| Mr. Basab Pradhan (00892181)            | Independent Director- Chairperson            |
| Mr. Sudhir Singh (07080613)             | Chief Executive Officer & Executive Director |
| Mr. Hari Gopalakrishnan (03289463)      | Non-Executive Director                       |
| Mr. Patrick John Cordes (02599675)      | Non-Executive Director                       |
| Mr. Kenneth Tuck Kuen Cheong (08449253) | Non-Executive Director                       |
| Mr. Kirti Ram Hariharan (01785506)      | Non-Executive Director                       |
| Mr. Ashwani Puri (00160662)             | Independent Director                         |
| Ms. Mary Beth Boucher (09595668)*       | Independent Director                         |

**Note:** \*Ms. Mary Beth Boucher has been appointed as the Additional Director (Woman Independent Director w.e.f. May 07, 2022).

### Directors retiring by rotation

Mr. Sudhir Singh and Mr. Kenneth Tuck Kuen Cheong, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the 31st Annual General Meeting of the Company scheduled to be held on 6th July, 2023.

### Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 & SEBI Listing Obligations & Disclosure Regulations, 2015 as amended, Mr. Basab Pradhan was appointed as Independent Directors of the Company by the Shareholders upto June 28, 2024. There are two other Independent Directors on the Board of the Company Mr. Ashwani Puri & Ms. Mary Beth Boucher. The composition of the Board is in accordance with the terms of the SEBI Listing Obligations & Disclosure Regulations, 2015 as amended & Companies Act, 2013 as amended from time to time. On May 06, 2022, the Nomination and Remuneration Committee approved and recommended to the Board, the appointment of Ms. Mary Beth Boucher as Additional Woman Independent Director. The Board & Shareholders approved the said appointment of Ms. Mary Beth Boucher with effect from May 07, 2022 on mutually agreed terms and conditions.

All Independent Directors have given declarations that they meet all the requirements specified under Section 149(6) of the Companies Act, 2013 and SEBI Listing Obligations & Disclosure Regulations, 2015 as amended. The eligible Independent directors had qualified the proficiency test, as prescribed by the IICA. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Details of the Familiarization program for Independent Directors of the Company are available on the website of the

Company at <https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/Familiarization-Programme-Independent-Directors.pdf> Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities. The terms and conditions of the appointment of Non-Executive Directors are placed on the website of the Company at [www.coforge.com](http://www.coforge.com)

### Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Company has the following Directors/ employees as Whole-time Key Managerial Personnel as on March 31, 2023:

- a) Mr. Sudhir Singh – Chief Executive Officer & Executive Director
- b) Mr. Ajay Kalra - Chief Financial Officer
- c) Ms. Barkha Sharma - Company Secretary

Changes in the status of KMPs during the year:

There was no change in the status of the KMPs during the FY 2022-23.

### Number of meetings of the Board

The Board of Directors of the Company met 7 (Seven) times in the FY 2022-23. The details pertaining to the Board Meetings and attendance are provided in the Corporate Governance Report. The intervening gap between two Board Meetings was within the period prescribed under Companies Act, 2013 and SEBI Listing Obligations & Disclosure Regulations, 2015 as amended. The details of the attendance and other relevant details are provided in the Corporate Governance Report.

### Directors' Responsibility Statement

As required under Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby states and confirms that:-

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit & Loss of the Company for that period;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. The Annual Accounts are prepared on a going concern basis;
- e. Suitable internal financial controls have been implemented by the Company and such internal financial controls are adequate and are operating effectively.
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.
- g. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Company's internal financial controls were adequate and effective during FY 2023

### Deposits from Public

The Company has not accepted any Deposits under Chapter V of the Companies Act, 2013 during the year and hence no amount of principal or interest was outstanding on the date of the Balance Sheet.

### Insolvency & Bankruptcy Code, 2016

There were no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which impacts the business of the Company.

### Difference in amount of valuations, if any

There were no instances where your Company required the valuation for one time settlement or while taking any loan from the Banks or Financial Institutions.

### Share Capital

#### a) Issue of equity shares with differential rights or sweat equity shares

During the year, the Company has not issued any equity shares with differential rights/sweat equity shares under Companies (Share Capital and Debentures) Rules, 2014.

#### b) Issue of Employee Stock Options

During the year, the Company issued 1,73,928 (One Lakh Seventy Three Thousand Nine Hundred Twenty Eight) Equity shares on the exercise of stock options under the Employee Stock Option Scheme of the Company (ESOP 2005). Consequently, the issued, subscribed and Paid-up Equity Capital increased to Rs.61,08,70,800 as at March 31, 2023 pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014. The grant-wise details of the Employee Stock Option Scheme are partially provided in the Notes to Accounts of the Financial Statement in the Annual Report and a comprehensive

note on the same forms part of the Board Report, which is available on the website of the Company ([www.coforge.com/investors](http://www.coforge.com/investors)).

**c) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees**

In terms of Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, the Company has not provided any funds for purchase of its own shares by employees or by trustees for the benefit of employees.

**d) Buy-back of equity shares of the Company**

The Company has not bought back any shares during the year.

**COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee

**Audit Committee**

The Audit Committee of the Company is constituted as per Section 177 of the Companies Act, 2013 & Regulation 18 of the SEBI Listing Obligations and Disclosure Regulation, 2015 as amended, and it consists of all Independent Directors. The details of the attendance in the meetings and other details are provided in the Corporate Governance Report. The Audit Committee of the Board comprises of the following members:

1. Mr. Ashwani Kumar Puri - Chairperson
2. Mr. Basab Pradhan
3. Ms. Mary Beth Boucher\*

Mr. Ashwani Kumar Puri, an Independent Director is the Chairman of the Committee and Ms. Barkha Sharma is the Secretary to the Committee. The Board accepted all the recommendations of the Audit Committee made during the year. Details pertaining to the number of meetings of the Committee held during the year and terms of reference, functioning and scope are given in the Corporate Governance Report in detail in terms of the requirements under SEBI Listing Regulation, 2015 as amended.

The company also conducts pre-meetings of Audit Committee Chairman with management officials including CFO/Internal Auditors/Statutory Auditors respectively before the quarterly meetings for his review and comments to incorporate the same.

Note:

*\*Ms. Mary Beth Boucher was appointed as member w.e.f. May 07, 2022.*

**Nomination and Remuneration Committee**

The Company has a duly constituted Nomination & Remuneration Committee under the provisions of Section 178 of the Companies Act, 2013 & SEBI Listing Obligations & Disclosure Regulations, 2015 as amended. The Nomination & Remuneration Committee with the following as members:

1. Ms. Mary Beth Boucher – Chairperson of the Committee\*
2. Mr. Basab Pradhan
3. Mr. Hari Gopalakrishnan

**Note:**

*\*Ms. Mary Beth Boucher was appointed as member and Chairperson of the Committee w.e.f. May 07, 2022.*

The details of the attendance in the meetings, terms of reference and other relevant details are disclosed under the Corporate Governance Report of the Company. During the year, the Nomination and Remuneration Committee also passed the circular resolutions on May 14, 2022, July 24, 2022, September 20, 2022, December 02, 2022 and January 14, 2023.

**Stakeholders' Relationship Committee**

In terms of provisions of section 178 of the Companies Act, 2013 & Regulation 20 of SEBI (Listing Obligations and Disclosure Regulations), 2015, the Company has reconstituted Stakeholders' Relationship Committee during the year. The Committee is headed by a Non-Executive Director Mr. Kirti Ram Hariharan and consists of Mr. Basab Pradhan and Mr. Patrick John Cordes as members of the Committee. Ms. Barkha Sharma Company Secretary is also is Secretary for Stakeholders' Relationship Committee meeting

The scope of Stakeholders' Relationship Committee is as per SEBI Listing Obligations & Disclosure Regulations, 2015. The Committee has delegated work related to share transfer, issue of duplicate shares, dematerialisation/rematerialisation of shares to the Share Transfer Committee which reports to the Committee. Details pertaining to the number of meetings of the Committee held during the year and terms of reference, functioning and scope are given in the Corporate Governance Report in detail in terms of the requirements under SEBI Listing Regulation, 2015 as amended.

**Corporate Social Responsibility (CSR) Committee**

In terms of provisions of the Companies Act, 2013 & Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company has a CSR Committee which formulates and recommends to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Companies Act, 2013, recommending the amount of expenditure to be incurred and



monitoring the expenditure and activities undertaken under the CSR Policy of the Company. Details pertaining to the number of meetings of the Committee held during the year and terms of reference, functioning and scope are given in the Corporate Governance Report in detail in terms of the requirements under SEBI Listing Regulation, 2015 as amended. The constitution of the CSR Committee is as follows:

1. Mr. Kirti Ram Hariharan (Chairman of the Committee)
2. Mr. Hari Gopalakrishnan
3. Mr. Ashwani Kumar Puri
4. Mr. Kenneth Tuck Kuen Cheong

### Coforge- Corporate Social Responsibility FY23

CSR programs at Coforge Group are driven by care, compassion, and commitment. We are catalysts in transforming lives through our social initiatives. As a socially responsible corporate, we acknowledge our responsibility to enable growth and development of communities and to positively impact the environment. We have been earnestly trying to make a difference to thousands of lives through our interventions in the areas of education & employability, rural development, livelihood enhancement, animal welfare, environment conservation and sustainability.

**Our Focus:** At Coforge, we are committed to identifying and supporting programs aimed at:

**A) Education, Skill development and Employability:** Education is a major catalyst for societal transformation. To bridge the educational equity gap, we help marginalised populations gain access to holistic, high-quality education and improve their skills for employability. Our programmes assist students in breaking free from the constraints of their socioeconomic background and realise their full potential. We have a solid programme in place, in collaboration with our NGO Partners, to assist the education of over 47300 children across the country. This includes not only funding for their schooling, but also teaching them life skills necessary for survival.

#### 1. Udayan Care

We collaborate with Udayan Care to help marginalized girls continue their education. The Udayan Shalini project focuses on girls' education so that they can lead a better life. Additionally, our



objective is to sponsor holistic development of 2600 children by supporting various educational, digital skilling, and skill development initiatives. Coforge's executive team, and employees help to make this connection more meaningful and memorable by volunteering in recurrent visits and day-long workshops.



#### 2. Vidya & Child

Through the Vidya & Child project, Coforge assists over 1310 children by sponsoring their studies, educational materials such as textbooks and workbooks, stationary, arranging life skills training, setting up computer labs and maintenance, renovating schools, planning various educational interventions such as field trips and awareness sessions, and coordinating numerous



recreational events. Coforge's support contributed to lower school dropout rates, a better learning environment, and academic development for students.







**3. CYDA - (Centre for Youth Development and Activities)**

Coforge works with CYDA to create an enabling environment in society for young people to grow as responsible and independent adults. FY 22-23 Coforge supported 1544 COVID affected families – widows for livelihood and children for education at Pune and Kolhapur locations. Through our support, affected families



started their small-scale businesses and increased income by more than 400% on average. The support of school fees helped students to stay in the mainstream of education. 350 people from Kolhapur benefited from the entrepreneurship training program sponsored by us.

**4. Margadarshi**



Coforge assisted 200 people with disabilities and their families (1400) in becoming self-actualizing, respected human beings and socially equal partners. We assist them by holding screening and evaluation camps for appropriate assistive devices at the block level. 20 wheelchairs and 40 mobility aids such as callipers, walkers, crutches have been distributed, and children and parents have received instruction in their proper use and maintenance.

**5. Sparsha**

Coforge supported Covid affected families by sponsoring school fees, counselling, guiding to obtain schemes for social entitlements in coordination with SPARSHA TRUST. As a result, 32% of children scored more than 60% potential dropout children have continued their education, family income has increased, children started participating in various activities that shows increase in confidence. Coforge employees also volunteered to celebrate New Year with kids.





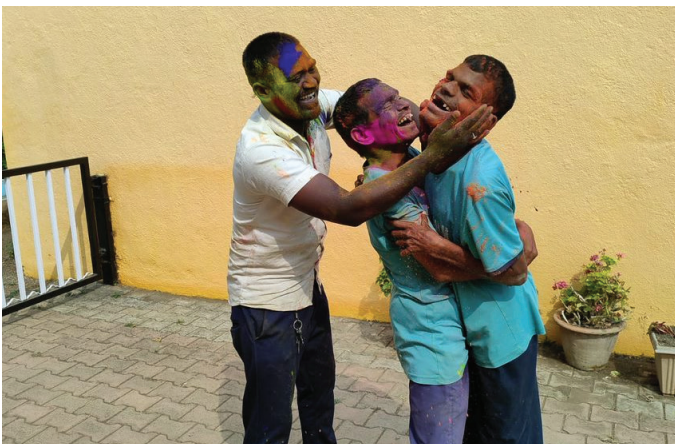


### 6. Ashagram

In coordination with Ashagram, Coforge supports 103 disabled children. These neglected young adults were alienated by families and society. Through our grant, they can sustain and live their life with dignity. We are sponsoring their medical



expenses, helping with construction of girl's residential care units, installation of CCTV cameras, sanitation and healthcare



### 7. Lend a Hand-Skill development

In coordination with Lend a Hand, Coforge supports underprivileged youth in developing skills such as communication, networking, problem-solving, creative thinking, digital skills, teamwork. This project further helps personal development of 540 lives.

### 8. Vidyadaan Sahayak Mandal

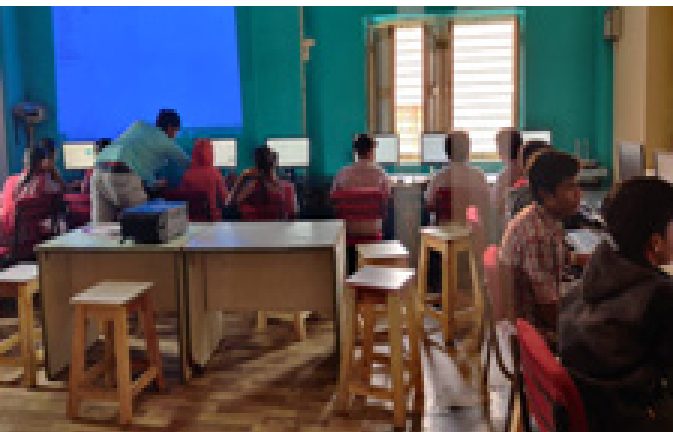
Supporting needy students to their higher education in streams like engineering, medical, nursing, and teaching. The NGO partner hand holds them by providing individual counselling and mentoring for overall development. Through this intervention, we are supporting 145 students.



### 9. Kriti

Coforge supports Project Shiksha at Hyderabad in coordination with Kriti organisation. They work with 4 Government primary schools for capacity building of teachers, setting up the computer labs and other infrastructure. Robotics workshops with over **1000** children across 10 government high schools are also conducted. This program trains all the children on robotics and teaches the children 21 different activities in a one-day workshop. Further, interested children are included in a science club and given advanced kits so that they can develop their interest. These children are given monitoring support to encourage a real interest and understanding of the principals of robotics.





**10. Industry – Academia partnership**

Coforge supported universities like Chandigarh University and Amity University to set up AI labs. These helped to provide agricultural solutions for farmers. These solutions helped



identification of diseased crops and developing low-cost smart crop monitoring systems. Coforge Lab has been leveraged extensively by students pursuing AI / ML studies to develop solutions listed above for the betterment of the society. Reached over 6000 students to enrich their knowledge



**11. Community Library with RURAL EDUCATION AND DEVELOPMENT (READ) INDIA**

As a service to the community, Coforge is setting up a state-of-the-art public library on 12000 sq ft area, in sector 59 Noida. This is the first time a corporate has stepped forward to set up a community library providing free access to high quality resources. On identifying the need, Coforge planned this immaculate contribution to the city of Noida. All communities and marginalized sections will be welcome to access resources in



the library. This library promises to be an outstanding example of a sustainable library which houses a repository of books across



genres and multifarious notable authors. This knowledge hub would undoubtedly benefit the community.





**B.Environment Conservation, Sustainability and Livelihood generation:**

Every drop contributes to make an ocean, and every contribution towards the environment is valuable. To ensure that the global agenda of climate change and sustainability is driven in even the remotest areas, we at Coforge support multiple projects. We also focus on strengthening rural and urban areas by improving environmental, health care, women empowerment, infrastructure development, drinking water, sanitation, sustainable livelihood, animal welfare and organic farming.

**1. BAIF (Bharatiya Agro Industries Foundation)**

The objective of this project was integrated livelihood approach for enhanced income and food security of villagers. With a view to increasing farmers' income multiple interventions were planned. This included promoting commercial vegetable cultivation through Hi-tech and trellis system of vegetable cultivation. This resulted in improving crop productivity. Breeding services for crossbreeding and methods to increase fodder availability were followed. Outreach :4584 villagers

**Trellis and Hi-tech vegetable plots**



**2. Swayamsiddha:**

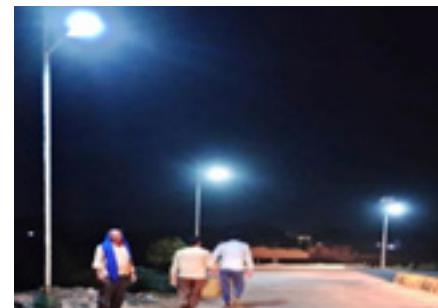
This project focuses on improved agricultural practices & promotion of sustainable livelihoods. The NGO helps to distribute seeds and fruit saplings. They also advise on goat rearing and poultry as means of livelihood. Capacity building sessions, exposure visits, skill & entrepreneurship training are undertaken for villagers. The approach of the project is of comprehensive village development. Outreach: 5416 villagers



Nutrition Garden of Vegetables

**3. Sehgal Foundation**

We support rural development projects in 3 villages of Greater Noida and 10 villages of Hyderabad. Major interventions in the project are rejuvenation of village ponds, promotion of sustainable agricultural practices and transformation of school infrastructure. We are supporting usage of renewable resources by installation of solar streetlights, solar spray pumps, solar torches. We have helped to establish a 'Village Development Committee' and are supporting its capacity building.



Solar Panal and streetlight at Bhabokara village



**4. SAFE (Social Action for Forest and Environment)**

**Mini Biodiversity Parks (urban forestation)** With a view to adding green cover in Noida and Ghaziabad, we are contributing to creating mini biodiversity parks at 2 locations. Under these projects two indigenous fruit bearing forest trails in Noida have been designed and developed that would eventually serve as a ‘green lung’. This would also help in improving air quality in neighbouring localities and serve as an educational tool for young students. This includes plantation of 40000 trees and maintenance, land levelling & preparation, and rejuvenation of ponds in the middle of the parks. This is Coforge’s contribution to the city of its operations.



**Lake rejuvenation at Noida** - As per schedule VII, we are ensuring environmental sustainability. Coforge is supporting revival and rejuvenation of a Lake at Noida. In principle with water conservation, we would be using recycled water using sewage treatment plant. The team would also help to clean up the garbage dumping site and convert it to a lake.



**5. ILRT (Institute of Livelihood Research And Training)**

We signed up with ILRT for promotion of sanitation by Solid and Liquid Waste Management in Noida. This includes plastic waste collection from public places, research, and analysis. The NGO

would also help in installing cloth bag vending machines to reduce use of plastic. The implementing partner would also mobilise transport vehicles for waste segregation and collection. Sessions would be planned for awareness generation. This project would impact a population of 44000.

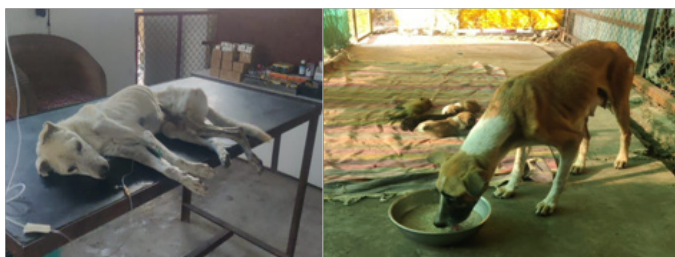
**6. Jnanprabodhini (Swadhar project)**

We work with Jnanprabodhini organisation in Pasali valley, Pune for holistic rural development. The outreach is 7293 villagers. Our efforts included promoting organic farming for soil nourishment and reduction in usage of chemical fertilisers by 11,500 kgs. Fuel efficient stoves are promoted to reduce deforestation and pollution. We also hold interventions for improving women’s health. Livelihood generation activities such as goat rearing, helped to increase average income of farmers by 40%.



## 7. Animal Welfare

Supporting over 1500 animals across 3 locations. The NGO partners( Voice of street dogs, Kannan animal welfare, People for animals ) help to arrange food, shelter, and medical assistance for stray animals.



### **Risk Management Committee**

The Committee comprises of the following Directors:

1. Mr. Basab Pradhan (Chairperson)
2. Mr. Hari Gopalakrishnan
3. Mr. Sudhir Singh

The Internal Auditor is invited to the Committee meetings & the Company Secretary of the Company is the Secretary to the Committee. The terms of reference of the Committee are provided under the Corporate Governance Report of the Company. All the Directors are invited for all the Meetings who are not serving members of the RMC.

### **POLICIES OF THE COMPANY**

#### **Nomination & Remuneration Policy**

Pursuant to the provisions Section 178(3) of the Companies Act, 2013, the Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection nomination and / or appointment of Senior Management including Directors of the Company and their remuneration. The Policy has been revised by the Board of Directors during the year in terms of the amendments in the SEBI Listing Obligations & Disclosure Requirements Regulations 2015 as amended, The detailed Policy is stated in the Corporate Governance Report.

#### **Vigil mechanism/Whistle Blower Policy**

In view of the requirement as stipulated by Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board & its power) Rules, 2014 and Corporate Governance under SEBI Listing Obligations & Disclosure Requirements, 2015 as amended, the Company has complied with all the applicable provisions and has adopted a Whistle Blower Policy duly approved by the Audit Committee to report concerns about unethical behaviour, actual & suspected frauds, or violation of Company's Code of Conduct and Ethics. The policy is hosted on the website of the Company.

The same provides for adequate safeguards against victimisation of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee.

#### **Policy for Determining Material Subsidiaries**

The Policy for determining the material subsidiaries of the Company is in terms of the amendments in the SEBI Listing Obligations & Disclosure Regulations, 2015. The said Policy is available on the Website of the Company at <https://www.coforge.com/>

#### **Risk Management Policy**

The Company has developed and implemented a risk management framework for identification of elements of risk, which in the opinion of the Board need close scrutiny.

#### **Dividend Distribution Policy**

The Company has a Policy for Distribution of Dividend under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 This policy aims at laying down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to shareholders and/or retention or plough back of its profits. The Policy is enclosed as **Annexure -A** of the Report and is also available on the website of the Company.

#### **Code of Conduct**

The Company Code of Conduct is available on the website of the Company at <https://www.coforge.com/>. The Chief Executive Officer of the Company has given a declaration that the Directors and Senior Management of the Company have complied with the Code of Conduct during the year 2022-23.

#### **Code on Prevention of Insider Trading**

The Company has formulated and adopted a Policy in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The Policy lays down the guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the Company along with consequences for violation. The policy is formulated to monitor, regulate and ensure reporting of deals by employees while maintaining highest level of ethical standards while dealing in the Company's securities. The policy is amended to bring it in line with the provisions of the prevailing regulations, from time to time.

In compliance to the SEBI PIT Regulations, the Company has a robust Code of Conduct to prohibit and monitor insider trading in the Company, which is strictly followed within the Company and the reporting is done to the Audit Committee/Board at regular intervals. The company adopted a stringent penalty framework for any violations. Training programs were also conducted



to spread awareness and self-assessment test. Further, the Company is working rigorously on the effective compliance of SEBI PIT Regulations with all the amendments being discussed and their implementation within stipulated time period. Pursuant to the provision of Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI Circular issued in this regard and in view of Coforge Code of Conduct to regulate, monitor and report trading by designated persons ("Coforge PIT Code"), the Company has put in place a Structured Digital Database System and quarterly Compliance Certificates as required under the Regulations duly issued by Company Secretary/Ranjeet Pandey and Associates – Practicing Company Secretary firm after their review and assessment were submitted to Stock Exchanges.

#### **Code of Fair Disclosure**

The Company's Code of Fair Disclosure is placed on the website of the Company <https://www.coforge.com/>.

#### **PERFORMANCE EVALUATION**

The Board carried out the annual evaluation of its own performance, of the Directors individually as also of its statutory committees, pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 as amended. The evaluation was based on a comprehensive set of criteria finalised by the board members. The Board considered the evaluation of the members based on one-on-one meetings, questionnaire and the directors who were subject to evaluation did not participate in the process. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by Independent Directors. The Chairperson communicated the feedback to concerned stakeholders. The Directors expressed their satisfaction to the evaluation process.

#### **MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES**

The information required under section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in Annexure-B. Further, the managerial remuneration is also provided in the Corporate Governance Report. The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is applicable and forms part of the Report.

However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the

Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary and the said annexure is also open for inspection at the Registered Office of the Company.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

##### **Conservation of energy and environment-friendly initiatives**

Environmental sustainability aims to improve the quality of human life without putting unnecessary strain on the earth's supporting ecosystems. The sense of environment sustainability shares the responsibility to conserve natural resources and protect global ecosystems to support health and wellbeing, now and in the future. It's about creating an equilibrium between consumerist human culture and the living world. We can do this by living in a way that doesn't waste or unnecessarily deplete natural resources. An 'unsustainable situation' occurs when natural resources is used up faster than it can be replenished.

We at Coforge Limited always strive to improve our environmental performance continuously to improve upon our carbon footprint performance and contribute our bit towards environment we participated in the annual flower shows and winning the same for fifth years in a row. At Greater Noida the company is having a lush green 25 acres campus comprising of a "Valley of Flowers", Herbal Garden and Fruit Garden. We also encourage our employees and clients for tree plantation activity in the nearby villages and forest area.

As a major initiative for the resource consumption in the campus, we have adopted the sensor based water taps for water dispensing and lighting system. To reduce the fresh water consumption, wastewater being recycled with the onsite available water treatment system and is being utilized for low-end uses, i.e. Horticulture, Flushing etc. The employee transport fleet has been converted from diesel/ petrol to CNG, which is a cleaner fuel and significantly reduced the company's carbon footprint. The roof top area of the offices are being utilized for the solar energy generation, which contributes to reduction of carbon footprint of organization, along with that the management has also working toward getting a solar based energy connection of 4 MW to power the campus facilities. This would be a leap to meet the global standards and join the sustainability crusade.

As a part of green initiative, as well as to improve upon the energy consumption pattern we have migrated from LPG connection to PNG Connection aiding us save 10-15 % on our energy consumption requirement and also helped us improve our carbon footprint and minimize hazards associated with the use of gas cylinders.

Coforge offices are single use plastic free zones and plastic waste generation is limited to the packaging material, the same

is being disposed through authorized recyclers. Food and horticulture waste material is being processed in house for manure production, which is utilized further in horticulture. E-waste material generated from the campus is being disposed only through government authorized recycler in an environment-friendly manner.

Coforge Greater Noida campus got recertified with LEED Green Building Platinum standards for operation and maintenance from US Green Building Council. Same is being projected for other location offices.

At Coforge we don't leave a chance to showcase our environment commitment, like every year this year also we participated in Noida Floriculture competition conducted by Noida Authority and stood first in the competition fifth year in a row.

Coforge is certified with Environment Health & Safety Management System (EHSMS) in agreement of the i.e. ISO 45001:2018 and ISO 14001:2015 standards. To ensure the effectiveness of the standards, the management system undergoes through periodic internal and external surveillance audits.

Environmental commitment cannot be fulfilled alone until we all are aware of our environmental impacts, until we inculcate the concept of sustainability in our routine and to achieve the same we have also launched environment health safety training module at global level where every employee needs to go through the awareness training to improve its environment act.

#### **Technology absorption and R&D (Research & Development)**

Coforge is a client-centric and growth-obsessed organization, focusing on providing holistic and integrated solutions that are Desirable (Strategic Design), Viable (Domain Consulting) and Feasible (Enterprise Architecture) to our clients globally.

Our GTM and Integrated solution approach to solve client problems leverages a 4-tiered approach:

- **Strategy Tier:** The overarching strategy for the enterprise is chalked out at the cusp of Domain Consulting + Strategic Design + Enterprise Architecture. We co-work with our clients in a strategic partnership to define their long-term transformation roadmap.
- **Technical Capabilities Tier:** To realize the transformative roadmap we leverage our horizontal technical capabilities as end-to-end Value Streams. Our Technical capabilities span across: User Experience, Process Journeys, High Velocity Engineering, AI & Analytics and Packaged Applications.
- **Product Engineering Capabilities Tier:** To realize Platforms and Products, we leverage new ways of working and iteratively implement them with a business-aligned IT operating model, Product Management, Full Stack Developers, DevSecOps, Quality Engineering, based fully

stacked agile teams that focus on modern/cloud-based technologies.

- **Cloud Hyper-scaler & Security Capabilities Tier:** Infrastructure is built on Agile, Nimble and Reliable design principles that have built in security capabilities.

We always strive to be at the forefront of emerging technologies and use the same for realising Business Value for our clients. Our Innovation mindset, Design Thinking methodology and focus on Emerging Technologies and Patterns help us use these technologies to gain disproportionate value for the business.

#### **Amongst others, following are the key technologies and horizontal capabilities that Coforge has used effectively during FY23:**

**Generative AI:** Burgeoning technology area, has garnered significant interest among our clients. Over the past year, we have been at the forefront of evangelizing Generative AI and have implemented use cases for BFS, Insurance, Travel, Hospitality and Healthcare verticals. By working closely with Microsoft for Azure OpenAI platform, a renowned leader in this space, we have implemented innovative use cases.

**Metaverse:** Emerging technology area, has sparked significant interest among our clients. Over the past year, we developed various use cases in areas such as virtual bank branches, travel desks, contact-centre, employee onboarding, training, and Digital Humans, among others. We also organized our annual two-day Technology Conference in the Metaverse, allowing hundreds of Coforge personnel to remotely participate in the conference. Our partners for Metaverse include Microsoft, Virbela, Gesture Research, Pointr, and others. Our efforts in the Metaverse space have been recognized by HFS Research, which has identified Coforge as an Enterprise Innovator in their Horizons 2023 - Metaverse Services research report.

**Blockchain & Web3:** These technologies have matured now and new & better use cases are emerging. Coforge has been actively participating in this arena with partners like Hedera and AWS. Innovative solutions have been developed for our clients including for Belgium-based Insuretech startup and Swirls labs. Our product for Invoice discounting marketplace has garnered much interest from the market.

**Composable Architecture:** Has emerged as an effective solution to address the challenges of enabling seamless and consistent experience across multiple touchpoints and channels while delivering at accelerated pace. We have created reference architecture and frameworks to support Composable Architecture for Banks. By leveraging micro frontends and composable architecture, banks can empower product squads to work independently in parallel to develop micro apps. These apps get composed seamlessly to provide the users a modern cross-channel experience. We are already implementing this

with a UK bank and have consulted with a middle east bank to take a composable architecture approach in their multi-year program to modernize their corporate portal.

**Hyper-scalar Alignment & Investments:** We have placed our big bets on realizing at improved velocity the Journey to Cloud for our clients and have made deep investments in aligning our operating model to AWS, Azure and GCP dedicated hyper-scalers structure with integrated solutions cutting across Infra + Apps + Data. We lead with Cloud maturity assessment, define the disposition strategy using R-Lane analysis and create a business plan based on the Cloud economics and its associated benefits

**Strategic Design and Marketing:** We are building strategic partnerships in this space and co-work with our partners to take human centred approach to solving client problems. Our differentiated approach includes: interviewing stakeholders, conducting ethnographic research, identifying personas, building customer journeys and realizing MarTech and Commerce implementation and rollouts.

**Cybersecurity and Compliance:** We focus towards information security and ensure we are in line with modern day IT and cyber security challenges. Coforge has made significant addition to its cyber security preparedness by integrating third-party Threat Intelligence Services. We now leverage advanced services including Dark Web and Deep Web Monitoring, Attack Surface Management, Brand Protection, and Cyber Threat Intelligence for safety and privacy of our information assets. We have integrated IBM QRadar SIEM platform for automated event and log monitoring of compute and network devices in our network. The platform has also been integrated with other security platforms in use at Coforge, giving our 24x7 dedicated Cyber Intelligence Centre team a unified way of assessing threats and a high level of automation towards accurately identifying and reporting for quick remediation. We have achieved advanced compliance certifications like SOC2 Type 2 + HIPAA, in addition to ISO27001, across the firm. Demonstrating the maturity of our Business Continuity Planning, we have also achieved BCMS 22301:2019 certification for our Greater Noida, Bengaluru, Pune, and Kolhapur centres. Some of the notable new initiatives planned this year are, Enterprise-wide Privileged Access Management, to ensure controlled, monitored and Just-in-Time access for privileged accounts; and advanced technologies for Automated Detection and Autonomous Response to fast spreading threats like Ransomware. We are also focusing on Zero trust security framework that has been gaining popularity among organizations globally as a proactive approach to cybersecurity for data protection and governance that focuses on maximize the business value of customers data while maximizing security and reducing compliance risks. Over the past 1 year Coforge has helped multiple customers in their journey to achieve zero trust security implementation.

**Digital:** Consumer expectations are evolving at an unprecedented pace, this is creating more demand than ever before for powering meaningful Digital Experiences, Products and Services to increase Consumer Delight. To solve for this, we at Digital are focused on creating Business Value by powering Consumer Solutions at Speed and Scale. As a part of our Digital Value Proposition, we focus on the below areas: Innovating Businesses, Elevating Experiences, Contextualizing Actions, Digitalizing Processes, Modernizing Systems, Connecting Enterprises and Productizing Solutions. In order to bring the above Digital Value Proposition to live, we have meaningfully organized our Digital organization into 4 Practices to drive specific capabilities: 1) Interactive Services: All Experience related capabilities are housed in Interactive Services Practice. Innovating Businesses and Elevating Experiences part of the Digital Value Proposition is aligned to this Practice. 2) Product Engineering: All Modernize related capabilities are housed in Product Engineering Practice. Modernizing Systems and Productizing Solutions part of the Digital Value Proposition is aligned to this Practice. 3) Connected Enterprise: All Responsive related capabilities are housed in Connected Enterprise Practice. Modernizing Systems and Connecting Enterprise part of the Digital Value Proposition is aligned to this Practice. 4) Intelligent Automation: All Optimize related capabilities are housed in Intelligent Automation Practice. Contextualizing Actions and Digitalizing Processes part of the Digital Value Proposition is aligned to this Practice.

**Salesforce:** We help enterprises build stronger, more valuable relationships with customers and partners across all engagement channels. We combine our deep industry / domain expertise with the senior mix of Salesforce technical and functional experts that is required to implement complex Sales, Service and Marketing transformations. We have worked on multi-pronged strategy creation for our clients to reengineer legacy infrastructure through digitization into a modern state-of-the-art platforms. Keeping the cloud architecture vision in focus, Coforge's solution focus on abstracting data from mainframes through core APIs and serverless technology on the cloud. DynamicCustomer Journey Orchestration solutions are developed for Mortgage Lending and Underwriting on Salesforce Financial Services Cloud and Service Cloud leveraging various Salesforce technologies including Lightning Web Component (LWC), OmniStudio and Salesforce Flow technologies. This reusable journey orchestration solution can be easily configured for Personal Loans, Auto Loans and Credit cards. Based on specific customer needs, we have developed several reusable frameworks to include: 1) Loan origination customer journey orchestration which can be applied to Consumer, Credit Card, Mortgages and other types of loan products. 2) Insurance industry Broker Management, to understand and manage the profitability of activities of a large Broker network. 3) Customer Service Disruption Management for the travel industry.

**MuleSoft:** We help remove data silos and create a seamlessly

connected ecosystem that allows instant access to information and drives new, data-driven insights. Seamless customer experiences require companies to create a fully connected ecosystem, where data is continuously collected, analyzed and transformed to serve the needs of the entire value chain. The need is not only for a point-to-point integration but a multi-point to multi-point cross connect systems. Unlocking data from legacy and/or business critical applications (leveraging out-of-the-box connectors from MuleSoft), connecting to legacy applications (such as files, queueing, databases etc.) and SaaS-based applications (such as workday, SAP, Service Now etc.) and surfacing data from these disparate applications into granular micro-services (alias System APIs), along with functionality (such as data transformation / data aggregation / data orchestration) embedded within Process APIs (across lines of business) helps in building an API economy and thereby monetizing those APIs to deliver business outcomes quickly, with reduced operational overheads. Our proprietary Mule 4 – Migration as a Service (M4-MaaS) helps accelerate migration from Mule v3.x to Mule v4.x at a rapid pace and at a fraction of a cost. Our migration accelerator was vetted by MuleSoft product team as well and today Coforge along with MuleSoft have a combined Go-To-Market migration strategy to drive customers moving towards Mule 4 and to take advantage of all the enhanced features. Another key value add to talk about is our proprietary Retail Framework. Coforge has a huge presence within the retail sector and what we understood from our experience working with our customers is that there is a lot of commonality in terms of the digital initiatives that all our customers think about (such as single view of inventory, 360 degree customer view, omni channel initiatives etc.). Coforge's Retail Framework helps in accelerating and delivering projects faster, as we leverage prebuilt data models and customize them as required for our customers.

**Data & Analytics:** We support our clients across 4 main areas helping them: **1) Modernize:** Big Data, Cloud Data and Data Management services help customers modernize data ecosystems (such as cloud data migration to **AWS, Azure and GCP**). **2) Monetize:** Business Analytics innovations leveraging latest analytics technology platforms (e.g. Snowflake, Databricks, Power BI, Celonis, Denodo, Dataiku) to help customers implement data analytics and data science use cases for actionable insights. This also contains pre-built frameworks and algorithms to accelerate data science development (e.g. Credit and Financial Crime Risk or Marketing decisioning). **3) Manage:** Consulting frameworks and templates to create and implement data and Analytics strategy and to drive awareness and adherence (e.g., data governance policies and procedures, predictive model review /validation as per OCC guideline). **4) Cognize:** Cognitive AI solutions for text & document mining, creating knowledge graphs, Advanced analytics on Audio, Images and Videos to derive insights (e.g. advanced analytics algorithms for image, text, video classification).

#### Pega:

- **Intelligent automation, Decisioning driven 1:1 customer engagement and customer service:** Intelligent automation refers workflow and RPA driven case management, 1:1 customer engagement refers to personalized interaction (Sales, Service and Marketing) between a customer and a business representative, leveraging the core AI engine. Pega has invested significantly in this technology and leveraging it for their core account growth strategy using Predictive analytics, Adaptive model Natural language processing (NLP), Text analytics, Decision management using customer decision hub (CDH) and native platform machine learning capabilities. Coforge DPA has invested building this capability and built use cases across insurance, banking, public sector and others.
- **Interactive, high performant and responsive UI/UX:** Pega Cosmos React & now constellation-based architecture includes a range of pre-built UI components that can be used out of the box or customized to fit the specific needs of a project, which are flexible to connect to multiple systems, utilising Pega headless architecture delivering seamless user experience across different devices and multiple sources of data.
- **Workflow and IDP synergy:** Intelligent Document Processing (IDP) combines artificial intelligence (AI), machine learning (ML), natural language processing (NLP), optical character recognition (OCR), and automation to extract, analyse, and process data from various types of documents. IDP systems are designed to handle complex, unstructured, and semi-structured data from sources such as forms, invoices, emails, contracts, and other business documents. DPA is also actively proposing QUASAR (An in-house intelligent document management system (IDP)) to clients supplementing Workflow solutions for scenarios like document ingestion, Pre-processing, Text analysis and extraction and continuous learning, in use cases like Claims and KYC.
- **Cloud migration and Upgrade:** The latest versions of Pega 8.8 Cloud features enable customers achieve on demand scalability and enhanced security using modern Kubernetes container-based architecture, keeping the user experience seamless. Coforge has built accelerators for Pega 8.8 upgrades including migration tool kit, upgrade assessment and pseudo code. Using this upgrade service offerings, we have delivered for one customer and have signed two more opportunities.
- **Coforge Healthcare (INFUSED)** has developed multiple solutions to provide though leadership client namely



Interqual Connect Asset on Pega Marketplace facilitating clinical information intake and workflow for Pega Care Management clients, ARC Asset (Authorizations Rule Center) for managing prior authorization rules in multiple systems (demo capable mid-May). It also has architected disruptive platform for next generation provider office technology solution.

#### Appian & Low Code No Code:

- **Hyper automation powered by AI:** Coforge has effectively used the Hyper automation capabilities of Appian like RPA, AI, Unified Workflows and IDP to modernize and automate elaborate workflows in traditionally manual processes. Our industry specific solution accelerators created for Insurance, Finance, Public Services and Travel have gained significant interest because of the end-to-end AI led automation leveraging the amazon.ai capability embedded in Appian.

Using low code no code intelligent process automation and API based routing, Coforge designed a trade management application for crypto brokerage enabling brokers, to access real time market data, place trades and monitor portfolio performance in real time. In this solution, Coforge integrated Tradius system to initiate the orders.

- **Smart citizen central service using low code no code:** Coforge has designed a smart citizen central service for public legal aid application, on the Appian low code no code platform embedding NLP & chatbot for automating citizen query responses, prompt report statuses and on-going intelligent workflow.

**ServiceNow CoE:** We have a dedicated ServiceNow CoE with 200+ ServiceNow Consultants having experience of 50+ implementations across Fortune 500 customers supporting 65,000+ fulfiller licenses with over 1 million configuration items/assets in complex environments comprising of multiple integrations. ServiceNow CoE delivers ServiceNow Consulting services, Implementation & Integration Services and Managed Services and have developed accelerators such as LicenseWise (track & optimize ServiceNow Licenses), One-Click Translator (for translating knowledge articles, notifications, catalogue in language of choice), GuardRailNow (Health Scan utility to check configuration issues and recommend fixes). We are Elite Segment Partner for US, UK and India region and has been identified as Rising Star in ISG Provider Lens™ (IPL) Quadrant study on “ServiceNow Ecosystem Partners 2023 ISG Provider Lens™ Study.”

**Cloud & Infrastructure Management Services (CIMS):** We run business-critical systems and operations for our global customers while ensuring security and scalability across public, private and hybrid clouds. We help clients reimagine and modernize their IT infrastructure strategy towards a flexible cloud environment that delivers fast and efficient business value while delivering superior digital workplace experience for their employees. Our service offerings span across Cloud, DevOps & Automation, Data Centre, Network, Cybersecurity, Digital Workplace Services, and IT Ops Management.

**Business Process Solutions (BPS):** The BPS unit leads with a digital-first approach, deep domain expertise, led by experienced consultative practitioners - to deliver value in our **3 E model** - enhance customer **experience**, improve business **effectiveness** and increase **efficiency**. Our domain expertise covers industry specific solutions like Banking, Cards, Mortgage, Financial Services, Insurance, Travel and Hospitality and cross-industry solutions. The services we offer leverage leading technology platforms and also point solutions with our tools like Copasys, a patented QA automation software to drive digitized processes in a **platform plus services** model. This is what leads to our core strategy of “Digital First, Digital Now” as we approach solving some of our customers’ compelling business problems built on over 20+ years of experience with 6,500+ BPS experts delivering work from centers across USA, India & Philippines.

**Quality Engineering:** We provide Quality Engineering & Testing services using an automation-first approach to drive software and application quality. Our Quality Engineering services - enabled by 2,400+ passionate Quality Engineering experts – are designed to inject speed, quality, productivity, and intelligent insights across the SDLC. Whether customers want to accelerate time to market, reduce costs, or transform their testing function and workforce, Coforge Quality Engineering has the right skills, capabilities, and accelerators to help them succeed. Our suite of frameworks and accelerators leverage AI for self-healing and autonomous automation. We offer services around: QE Transformation, Test Lifecycle Automation, Business Assurance, Digital Assurance, and Enterprise Application & Product testing.

#### Foreign Exchange Earnings and Outgo (Rs. Million)

| Particulars               | Year 2021-22 | Year 2022-23 |
|---------------------------|--------------|--------------|
| Foreign Exchange Earnings | 29,608       | 39,256       |
| Foreign Exchange Outflow  | 11,293       | 14,545       |

**Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future**



During the year, no order was passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliances with operating systems, accounting procedures and policies of the Company. Based on the report of Internal Audit Function, process owners undertake corrective action in their respective areas and thereby strengthen controls.

#### Details of Subsidiary/Joint Ventures/Associate Companies

As on March 31, 2023, the Company has subsidiaries in the United States of America, United Kingdom, Germany, India, Singapore, Thailand, Australia, Dubai, Spain, Poland, Netherlands, Romania, Sweden, Malaysia and Japan

#### Details about the companies which have become/ ceased to be subsidiaries during the Financial Year

The Company has not acquired any company directly during the year. However, two new step down subsidiary companies were incorporated:-

- Coforge Solution Pvt. Ltd., India
- Coforge Japan GK, Japan

#### Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is included in the consolidated financial statement and the same has been annexed to this Report as AOC-1 given in **Annexure C**.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited Financial Statements of the Company, consolidated Financial Statements along with relevant documents are available on the website of the Company ([www.coforge.com](http://www.coforge.com)).

#### Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013

The Company has not given any loan to any person and any other body corporate. The Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013 by the Company, have been disclosed in the financial statements

The details of the securities acquired by the Company of other body corporates is given as under

(Amt. in INR Mn.)

| Investments in equity instruments in subsidiary companies (fully paid)   | Investment value as on March 31, 2023 |
|--|---------------------------------------|
| 2,837,887 (31 March 2022: 2,837,887) Shares having no par value in Coforge Inc. USA  | 156                                   |
| 16,614,375 (31 March 2022: 16,614,375) Shares of 1 Singapore \$ each fully paid-up in Coforge Pte Ltd., Singapore  | 703                                   |
| 3,276,427 (31 March 2022: 3,276,427) Shares of 1 UK Pound each fully paid-up in Coforge UK Ltd., UK  | 204                                   |
| 537,900 (31 March 2022: 537,900) Equity Shares of Euro 1 each fully paid-up in Coforge GmbH, Germany   | 185                                   |
| 50,000,000 (31 March 2022: 50,000,000) Equity Shares of Rs 10/- each fully paid-up in Coforge SmartServe Limited   | 500                                   |
| 1,000,000 (31 March 2022: 1,000,000) Equity Shares of Euro 1 each fully paid-up in Coforge Airline Technology GmbH Germany   | 224                                   |
| 5,000 (31 March 2022: 5,000) Ordinary Shares of 1000 AED each fully paid in Coforge FZ LLC Dubai   | 63                                    |
| 5,000,000 (31 March 2022: 5,000,000) Equity Shares of Rs. 10 each in Coforge Services Limited  | 25                                    |
| 4,047,631 (31 March 2022: 4,047,631) Equity Shares of Rs. 2 each in Coforge DPA Private Limited  | 4,701                                 |
| 2,13,779 (31 March 2022: 2,13,779) Equity Shares of Rs. 10 each in Coforge SF Private Limited  | 2,392                                 |
| 541,895 (31 March 2022: 541,895) Equity Shares of Rs. 10 each in Coforge Business Process Solutions Private Limited (Formerly known as SLK Global Solutions Private Limited) | 9,183                                 |
| <b>Total equity instruments</b>  | <b>18,336</b>                         |

#### Particulars of Contracts or arrangements with Related Parties

The Related Party Transaction Policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee. The Board has the Policy in line with the recent amendments in SEBI Listing Regulations and is uploaded on the website of the Company at <https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/policy-on-related-party-transactions-new.pdf>

A Statement of all related party transactions is presented before the Audit Committee on a quarterly basis and prior/ omnibus approval is also obtained for the entire year, specifying the nature, value and terms and conditions of the transactions. None of the transactions with the related parties fall under the scope of Section 188 (1) of the Companies Act, 2013. Details of Related Party transactions pursuant to Section 134(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Form No. AOC-2 in **Annexure – D**.

### Management's Discussion and Analysis Report

In terms of Regulation 34(e) of the SEBI (Listing Regulations), 2015 as amended from time to time, the Management's Discussion and Analysis Report is set out in this Annual Report.

### Business Responsibility and Sustainability Report

The SEBI (Listing Regulations), 2015, read with SEBI Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 has prescribed the format for the Business Responsibility and Sustainability Reporting (BRSR) in respect of reporting on ESG (Environment, Social and Governance) parameters by listed entities mandates the inclusion of Business Responsibility and Sustainability Report ('BRSR') for top 1000 listed companies based on market capitalization as on March 31, 2023. In compliance with the same the Company has formulated Business Responsibility and Sustainability Reporting Initiatives, Policy, and Framework at its Board Meeting held on April 27, 2023. The BRSR Report for the Financial Year ended March 31, 2023 has been enclosed with this Report.

### Corporate Governance

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Regulations), 2015 as amended from time to time, a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditor's in terms of Part E of Schedule V of the said Regulations of the Company forms an integral part of Corporate Governance Report.

### Compliance with applicable Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs with all amendments thereto.

### AUDITORS & AUDITORS' REPORT/CERTIFICATE

#### a. Statutory Audit:

M/s S R Batliboi & Associates LLP (FRN 101049W/E300004) have carried out Statutory Audit under the provisions of section 139 of the Companies Act, 2013 for the financial year 2022-23. The Report given by Auditors forms part of this Report. The Auditors Report to the Shareholders does not contain any qualification, reservation or adverse remarks.

#### b. Secretarial Audit:

During the year, the Board of Directors of the Company appointed Mr. Ranjeet Pandey (Membership No.5922) of M/s Ranjeet Pandey & Associates, Company Secretaries (CP No.-6087), in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, for the Financial Year 2022-23. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2023 was considered by the Board in its meeting held on April 27, 2023 and the said Report given by Secretarial Auditors is annexed to this Report as Annexure-E. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

#### c. Internal Auditors:

The Board on the recommendation of Audit Committee had appointed M/s KPMG Assurance and Consulting Services LLP, Limited Liability Partnership, Firm Registration Number: AAT-0367 as its Internal Auditors of the Company. The Internal Auditors report to the Chairman of the Audit Committee.

The Internal Audit teams monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on their reports, the corrective actions in respective areas are taken to strengthen the controls. There are no significant audit observations made by Internal Auditors.

#### d. Auditors Certificate on Corporate Governance:

As required by SEBI (Listing Regulations), 2015, the Auditor's Certificate on Corporate Governance is provided within the Corporate Governance Report. The Auditors Report to the Shareholders does not contain any qualification, reservation or adverse remarks.

#### e. Cost audit & records:

Section 148 of the Companies Act, 2013 is not applicable on the Company. Therefore, cost audit has not been conducted for the financial year 2022-23 and records are not maintained.

f. No fraud has been reported by the Auditors to the Audit Committee, Board or any other relevant authority.

### HUMAN RESOURCE INITIATIVES

Nurturing a positive corporate culture is integral to our business and it reflects in our phenomenal growth. Guided by our vision 'Engage with the Emerging', we have been delivering best-in-class solutions using new-age technologies, and our mission 'Transform at the Intersect' has cemented our position as an expert in focused industry verticals.

We follow through 4E strategy for curating a holistic employee experience, which entails - Examining the pulse of the organization

on an ongoing basis, taking actions around Engagement, Education through robust learning and development initiatives, and Encouragement for meaningful interactions with our people. The outcomes of these interventions are visible through our key people indicators like retention, EES Scores and external recognitions.

As an organization, that over the years has lived by the belief ‘**Coforge is People**’, & thanks to all our collective efforts, we were able to emerge stronger – stay the course of our growth story, continue to deliver value to our customers, and remain focused on nurturing our culture.

**Elements of our strategy have been listed below:**

#### **Examine**

We at Coforge use various tools to assess and monitor the pulse of our employees. My Voice, Annual Employee Engagement Survey (EES) is our most comprehensive tool that focuses on key areas like professional growth, work-life balance, training, teamwork, commitment index, and so on.

Similar to last year, Coforge participated in Great Place to Work (GPTW) survey. We got certified as both Great Place to Work and Best Workplaces for Women India, second year in a row. This year, Coforge was also recognized among India's Best Workplaces in IT & IT-BPM 2022 – Top 50.

#### **Engagement**

Keeping our employees engaged continues to be our top focus and priority. We're proud to say that we've been able to keep our employees engaged through a framework that revolves around several aspects.

The various Leadership and HR connect sessions and Townhalls we have had with our employees on a periodic basis has kept the fuel burning and kept everyone engaged with the growth the organization is witnessing. The appreciation through our regular Inspire Awards, Spot Awards and Gratitude Month activities has kept the spirits of all our employees very high. The various fun activities that have happened at various junctures when we celebrated big events like Coforge Day or Diwali/Holiday party has been assimilated by employees in a beautifully positive an inexplicable manner. Such engagements have gone a long way in keeping our employee base motivated.

Celebration of festivals is another such activity that brings the entire employee base together. Small quiz sessions with gifts as takeaways have gone a long way in bringing some fun elements along with the commitment that every employee brings in terms of their contribution to the organization.

Regular HR Leadership connect sessions with the new joiners is another such event that has garnered a lot of acceptance amongst our fresh hires and has gone a long way in establishing

the trust that is needed for a win-win situation for the employee and the organization.

Several technical and non-technical learning opportunities were also created for our employees to help them upskill themselves and grow within the organization.

Overall, the year was filled with a number of touchpoints with every employee starting from fun to learning and growing within the organization, the culmination of which was the employee satisfaction survey where we scored very similar to what we had scored the previous year. Our employees are equally satisfied and even more committed to the journey of Coforge! Winning the Bronze Award for Excellence in Employee Retention Strategy by Economic Times Human Capital Awards is a testimony to these practices and efforts.

#### **Education through Capability Development**

A systematic approach to the Learning and Development (L&D) of employees is vital for any organization. At Coforge, we are focused on building people's capabilities to create a future-ready workforce that contributes to achieving business goals of the organization. We offer an immersive, agile & global learning solution with diversified learning methodologies which include cutting-edge content & hybrid methodology of learning. With our one-of-a-kind learning framework and future-facing approach, we integrate technology seamlessly into our holistic learning strategy & solutions cutting across technical, domain, functional skills and human skills.

#### **Annual Training Snapshot**

| <b>Training Category</b>             | <b>Hours of Training</b> |
|--------------------------------------|--------------------------|
| Safety, Security & Diversity related | 31,138                   |
| Behavioural, Leadership & Management | 32,000                   |
| Technical, Domain & Functional       | 352,897                  |
| <b>Total</b>                         | <b>416,035</b>           |

#### **Leadership & Behavioural Training**

An agile learning ecosystem skilling the firm for the future and to create impactful learning solutions catering to all leadership, sales, behavioral & human skills capability development'. We have designed an experiential and impact-driven approach for developing employees, team leaders, and managers to learn, practice, and implement behaviour change and related attitudes further enhancing personal efficiency and performance.

In the LEAD canvas, we have created a holistic set of solutions:

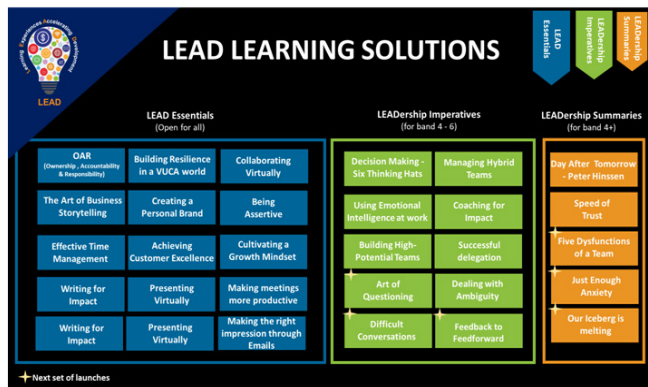
- Virtual Instructor Led Learnings
- Anytime Anywhere Solutions
- Learning from the Experts
- Sales Capability Build



**LEAD Learning Catalogue**

LEAD is working towards strengthening a learning culture at Coforge to:

- Align learning to org and global employee needs.
- Create a continuous learning experience through multiple learning avenues.
- Strengthen L&D presence across the globe.
- Acknowledge & recognize learning & learners - build learnability.
- Showcase & report-out progress & impact stories.



Apart from our open calendar offerings, here are few high impact solutions delivered in FY 23:

- LPODs (LEAD Programs on Demand):** Delivered ~ 25 customized blended solutions addressing business-specific learning needs across verticals, geos, service lines & functions.
- Senior Leaders New Hire Assimilation Program:** This program is aimed at helping the new leaders in:
  - Gaining a deeper understanding of the firm, our priorities and key business drivers
  - Better navigating the organisational matrix by meeting the Coforge leadership

- Providing them an opportunity to interact and engage with them
- Creating an informal cohort network for you to leverage in your Coforge journey



- Promoting usage of GlobeSmart:** A platform which provides an effective, user-friendly intuitive global learning experience to approach intercultural differences in a meaningful way. It advances inclusion, increases collaboration, builds interpersonal relationships and eliminates boundaries with peers, customers & stakeholders for organizations to succeed globally.
- Building LEAD presence globally:** Open calendar programs catering to all time zones. Focussed Anytime Anywhere solutions to bridge the learning gaps by leveraging platform like Percipio. Designed contextually relevant programs for the global audience. Engaging with global business leaders via panel discussions, fireside chats.
- Launched ELEVATE – Navigating Leadership Transitions:** A global structured 3- month long learning journey for all our middle managers that aims at building the mindsets and skillsets for role effectiveness and is curated around three focus areas – Managing self, Managing teams & stakeholders and Building business alignment. Consultative approach with business leaders, identified 6 leadership competencies for people leaders. This is a blended learning journey leveraging vILT’ s, self-paced & leaders masterclasses.
- Continued rigour & focus on compliance trainings.**

**Technical/ Functional / Domain Training & Certification through iEnable**

iEnable is one-stop solution for all technical, functional, and domain learning solutions for the firm ensuring our employees’ skills stay contextually relevant and they always have the edge!

In alignment to the deep-rooted legacy of training, we have a dedicated training team that partners with the business to design & deliver learning solutions for different roles across the organization for employees across the globe to upskill & cross-skills employees including:



- New Joiners
- Existing Staff Members
- Professional Accreditation through relevant Certifications

As learning culture is critical for keeping up with workplace transformation, it is imperative to give the employees opportunities to up skills and tools they need to thrive in a remote environment. Mentioned below are few aspects:

1. **Ensuring availability of learning opportunities** outside of formal company trainings to employees by alliances with multiple external enterprise learning partners
2. **Executives and Leaders involvement** to contribute and support learning at work by strategizing and initiating learning and capability enhancement drives
3. **Capability Enhancement/ Upskilling through Service Line Training:** Multiple planned learning interventions are facilitated by the Horizontal contributors of the Organisation the Service Line COC's like – QE, Data & Analytics, Digital, AI, Software Engineer, CIMS, Sales Force, Mulesoft, and Pega & Appian to build capability. Through these training we focus on upskilling technical employees- on niche technologies, domain and client specific requirement - it enables the organization to beat the competition and achieve strategic goals. Upskilling
4. **Quarterly Training Calendar for Laterals PACE** (Pro Active Capability Enhancement) specially curated Calendar in collaboration with Horizontals to build focused & efficient Learning & Development plan
  - Upskill/Cross-skill on the market-ready technologies relevant to the Clients for existing Laterals **deployed** to various projects/ accounts
  - Continued support as per the projection from RDG for new hired Campus Graduates Boot Camp / **GET Training**
  - **Pool Upskilling** to continually keep a robust pipeline to meet the emerging requirements
5. Building Professional Credibility around Azure, AWS, GCP, SAFe Agile, Scrum, POPM and Pega Appian – **2204+ professionally certified workforce** - as on 31 March in FY'23, to enhance capabilities and create a future-ready workforce.
  - Training + Certification to enhance capability through certifications like Azure, Salesforce, AWS, ISTQB
  - Participation in specially designed Microsoft Future Ready Champions of Code Certification & CLOUD Certification Drive with 112 certified workforce out of 660+ SM participation.
6. Partnership For Success
  - **Leveraging the Learning Partner Portals** like Percipio, Microsoft ESI, AWS, GCP, AWS, AIT, LOMA, ISTQB, Unqork, Appian, ITIL, Mule Soft, Focus on Force, Trailhead to access the free Training & Certification programs available

- a. Ensuring availability of **learning opportunities outside of formal company training** to employees by alliances with multiple external enterprise learning partners in alignment with our stakeholders request like – Decisions Portal, Respective D&A technology portals & Thought Machine
- b. **Adoption of Percipio** – the intelligent enterprise Learning Platform - providing a culture of continuous self-learning thus enabling team Coforge to stay abreast of the emerging technologies. With an increase in the adoption trend
- c. Through Percipio we also offer specialized **Aspire Learning Journeys-** are Role-based training across key in-demand career paths from Data Scientists to AI Developers to CloudOps Architects to SecOps Engineers. From a Data Analyst working with Excel to a Data Scientist utilizing best practices with Python. Aspire Journey helps to accelerate skill development

## 7. Domain Training

**Dedicated Domain specific, self-paced learning programs** across Verticals for continual improvement through Learning Portals like Percipio and Udemy

- Insurance Domain: Basics of Insurance Level -1 Training for all employees mapped with INS BU
- TTH Level 1 Domain Training ongoing embellishing Learning Academy
- BFS Domain Training: AWS Cloud Journey Learning for Santander employees
- Specific Trainings led by Instructors/Practitioners to cater to individual development needs mapping to the respective Verticals/Horizontals
- External Experts for Deep Dive discussions from renowned organizations like, Percipio Microsoft etc. together and created Lounges for discussion and query resolution.

**Co-Build with HBU's to meet the Upskilling & Reskilling Needs of the Organization**, L&D Team in Collaboration with HBUs, have set up various Academies to empower employees in leveling up their skills. Technical Training team at Coforge (iEnable) launched PACE [Pro –Active Capability Enhancement] – A specially crafted training calendar comprising the latest technologies to meet the skill build agenda in collaboration with respective HBU's

| HBU              | Count of SMs Covered |
|------------------|----------------------|
| Digital          | 1459                 |
| Data & Analytics | 824                  |
| QE               | 1623                 |
| CIMS             | 1783                 |
| DPA              | 12368                |
| DE               | 528                  |

8. Functional Competency Building and supporting with relevant learning offerings

- Upgrading **Functional knowledge** to enhance skills workforce can manage work more efficiently and effectively like ITIL - 230, SAFe, Agile PMP – 483
- Launch of **PM Upskilling Series** for existing/aspiring Project Managers - 1196, with 11 Sessions delivered on the right use of knowledge, processes and tools.

#### 9. Global Reach for Onsite & Offshore SMs

- Plan Upskilling and real-Time Learning Opportunities across the Globe to Learn and Grow
- to ensure that iEnable team offers an eco-system through blended learning modes to cater to ever evolving business requirements and skill build by facilitating Training session in different time zones through instructor and accessing online portals, to build capabilities in the right place at the right time

#### 10. Program on Demand

- Tailor made Training programs basis the requirements shared by verticals to achieve the desired expertise eg Santander, HSBC, Sabre, Aflac.
- Special Focus drive on **Pool upskilling** picked up, delivering both exclusive & mixed batches like SL Focused - SQL/Data Warehousing, Data bricks, Snowflake and Client requested - Microstrategy, Snowflake,
- A focused - JAVA FSD which was a Proactive JAVA FSD Upskilling in Collaboration with Digital HBU - Building capabilities JAVA Full stack and DotNet through pilot batches planned org. wide as on Ongoing continual Java capability interventions for resource pool and laterals.

11. *Campaign for Lateral Hire - L&D Induction – **GROWTH HUB!*** - Point of Contact for various Development Needs, to enhance and align their capability, to meet the business & client expectation. We have had a participation and coverage of more than 87% for the identified 3363 SMs and have a projection to continue for lateral hires we continue to grow.

#### 12. Utilizing Gamified & Social Media Platforms

- Encourage regular **social learning opportunities through Communities on Yammer, iShare & as chat** channels on MS Teams – Teams dedicated to the specific training, as learning from peers is an essential tool to increasing skill proficiency
- Engaging Learners through Gamified platforms like Kahoot IT & Mentimeter for knowledge retention

L&D function has ensured capability enhancement by adhering to the vision & Mission statement **Engage with the Emerging, Transform at the Intersect**. In the new normal we are enabling Team Coforge to **Unlearn, Relearn and Adapt** by *making learning* Intentional, **Personalized & Immersive**.

Encouragement:

We at Coforge believe in creating a culture of appreciation, encouraging and rewarding excellence, and promoting innovation at the workplace. We have Annual awards, ongoing Inspire awards, and awards for innovation.

- Annual Awards: Every year, an array of Annual awards are given to recognize our employees, to encourage and motivate them. The annual structure of our awards is as below:

Global Leadership Awards (GLA) is awarded to people in leadership cadre who have significantly impacted the organization growth through strategic initiatives, and the winners of this award are sponsored to an Executive Management Program at the prestigious Harvard Business School.

CEO's Club of Achievers (CCA) is the second most coveted and prestigious award at Coforge. The recipients have the flexibility & opportunity to choose what they believe is the best way to utilize the reward that comes with this prestigious CEO's Club of Achievers - leverage to enroll in a learning course of choice, sign up for certification in an area of interest or spend some quality time with their families.

Award of Excellence (AOE): The award endeavors to recognize employees for whom excellence is a passion and they 'walk the extra mile' and stand out in the crowd.

Excellerator: An employee who makes excellence a habit and has been awarded the Award of Excellence for the third time in their tenure is conferred with the honor of being called an Excellerator, and it's a practice to name a meeting room after the person.

- INSPIRE: We also have a Reward and Recognition mechanism called INSPIRE that nurtures a culture of value creation for customers. It is an online, on-going point-based rewards mechanism with exciting redemption options where employees can exercise their choice! Since the platform is digital, it became easier for us to propel this medium in the pandemic time when everything moved from in-person set-up to a virtual set-up in corporate world. The Inspire award winners are felicitated during the quarterly town halls.

My Voice - Employee Engagement Survey 2023

In order to get useful insights into engagement levels and employee satisfaction, the Company conducts an annual Employee Satisfaction Survey – My Voice, the findings of which enable it to make improvements in its workplace environment. My Voice - EES for FY22 showed measurable progress over last year's results.

| Particulars                | EES FY22 | EES FY23 |
|----------------------------|----------|----------|
| Participation              | 83%      | 89.3%    |
| Overall Satisfaction Score | 82%      | 81.4%    |
| Commitment Index           | 82%      | 83.3%    |



- As per FY23 My Voice EES, the highest-rated drivers of engagement are Basic Needs (90%), Teamwork (89%), Manager Support (83%), and Company Brand & Image (85%)
- Top rated areas are:
  - o My job is important for my Business Unit / Organization to achieve its goals (94%)
  - o My team is committed to doing quality work (94 %)
  - o I am aware of what my goals are and what I am expected to do (93%)

The above results are indicative of our approach of We Care through differentiated employee benefits globally, EAP, Covid support, We Engage with our employees and their families effectively, through virtual engagement activities, induction programs, celebrations, We Grow through learning avenues provided, career opportunities, We Innovate with our culture of Innovation as a service offering, We Contribute to society with our CSR initiatives, environment sustainability, We Connect with our employees through virtual and physical modes, and We Inspire continuously via our Rewards and Recognition programs, inspiring campaigns, quarterly & Annual RnR, etc.

#### Diversity, Equity & Inclusion

Diversity is our Strength; Equity is what we Value & Inclusion is our Commitment.

At Coforge, we understand that supporting diversity, equity, and inclusion practices is not only the right thing to do; it is the right thing to do for the business. Our mission is to make diversity, equity, and inclusion our way of doing business. Coforge strives to create and foster a supportive and understanding environment in which all individuals realize their true potential regardless of their differences; and where everyone can feel a sense of belonging.

Our DEI motto is “Bring Your True Self to Work” which enables us to be our true selves and be active allies to each other fostering this open culture of inclusion. Being certified for 2nd year in a row as both a Great Place to Work® and Top 100 India’s Best Workplaces for Women (Large) is a testimony to the all-inclusive culture we foster and take pride.

Below is the snapshot of the DEI initiatives performing under each pillar.



#### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at the workplace, in line with The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The Company believes in providing all employees a congenial work atmosphere, which is free from discrimination and harassment, without regard to caste, religion, marital status, gender, sexual orientation, etc. During the year, the Company conducted various awareness programs and workshops at all locations. Employees are required to attend compulsory awareness and training program on POSH on our virtual learning platform – Percipio. During the year, the Company conducted training session for the ICC members and the HR team. The Company received two complaints pertaining to this and both of them were not falling within the purview of POSH and hence was directed to the aligned HR for taking it up for closure. The Company received two complaints pertaining to this and both of them were duly resolved in the Financial Year.

#### AWARDS AND RECOGNITIONS

The Company has been recognized in several important ways at the national and global levels, related to its leadership in specific industry verticals, and its robust HR practices.

1. Coforge was chosen as one of the 'Most Preferred Workplaces of 2022' by Marksmen Daily in association with India Today
2. Coforge received the prestigious Great Place to Work® certification in India from July 2022-July 2023 - the second consecutive year that the company got Great Place to Work®-Certified.
3. Coforge achieved the Azure Expert MSP from Microsoft – a critical milestone in the partnership with Microsoft that will unlock significant value.
4. Coforge received an award for the 'Best Use of AI in BFSI' sector at the FE Futech Awards 2022
5. Coforge was felicitated with ET Best Tech Brands 2022
6. Coforge was felicitated with The Economic Times Employee Excellence 2022
7. Coforge was shortlisted as one of the Iconic brands at the fifth edition of “The Economic Times Iconic Brands Conclave.”
8. Coforge received the prestigious “Great Place to Work® Certification in India from July 2022 – July 2023”. This is the second consecutive year that the company has got Great Place to Work-Certified™
9. Coforge won “India’s Best Workplaces™ for Women 2022 – Large (Top 100)” for celebrating women all year round and contributing to the vision of making India a Great Place to Work for all.
10. Coforge was recognized among ‘India’s Best Workplaces™ in IT & IT-BPM 2022 – Top 50’ by Great Place to Work® India.

11. The US Green Building Council has awarded the prestigious LEED Platinum Green Building Certification to Coforge consecutively for the second time. The company's Greater Noida campus won the prestigious accolade for its healthy, efficient, carbon, and cost-saving green buildings.
12. Coforge won the STPI IT Export Award 2021-22 from the Government of Karnataka.
13. Coforge is a Star Performer in the 'Major Contenders' category in the Everest Group Application and Digital Services (ADS) in both Life & Annuity (L&A) Insurance and Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2023.
14. Coforge was accredited by AWS with Public Sector Program.
15. Coforge won Duck Creek Technologies 2022 Innovation Award for OnDemand Enablement Tooling
16. Coforge ranked 13th in the Tussell & techUK #Tech200 - the 200 fastest-growing tech suppliers in the public sector
17. Coforge received an award from The Economic Times Human Capital Awards for Excellence in Employee Retention Strategy
18. Coforge won the DevOps Project of the Year award at DevOps Conclave and Awards 2023 organized by UBS Forums in Bengaluru
19. Coforge was selected as a part of Microsoft's 'Future Ready Champions of Code', a pan-India program for developers, focused on skilling and certification.
20. Coforge was accredited with the "AWS Immersion Days Partner Program" enabling the company to conduct customizable workshops.
21. Coforge was recognized as one of the 10 Most Promising Best Tech Companies To Work For 2023 by Silicon India Magazine
22. The Floriculture Society Noida awarded Coforge with the first prize in the Corporate Garden category at the Noida Flower Show Garden competition in 2023.
23. Coforge cricket team was the runner-up at the 10th edition of the Hero Pro Corporate League Cricket Tournament, held at the PCL Sports Complex in Noida, also known as the World Cup of Corporates.

#### ACKNOWLEDGEMENTS

The Board of Directors would like to take this opportunity to place on record its appreciation for the committed services and contributions made by employees of the Company during the year. In addition, the Directors wish to thank the Company's customers, vendors, bankers & financial institutions, all government & non-governmental agencies, and other business associates for their continued support. The Directors acknowledge and appreciate the support and confidence of the Company's shareholders and remain committed to enabling the Company to achieve its growth objectives in the coming years.

**For and on behalf of the Board of Directors**

**Basab Pradhan**  
Chairman  
DIN: 00892181

**Place: California, USA**  
**April 27, 2023**

**COFORE LIMITED**  
**DIVIDEND DISTRIBUTION POLICY**

**1 PREAMBLE:**

- 1.1 This Policy (hereinafter referred to as “Policy”) shall be called “The Dividend Distribution Policy” of the Coforge Limited (hereinafter referred to as the ‘Company’).
- 1.2 The Policy has been framed specifically in compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulation”
- 1.3 Regulation 43A of Listing Regulations mandates top 500 Listed Company on their market capitalization as calculated on the 31st day of March of every year, to frame a policy for distribution of dividend.
- 1.4 This policy aims at laying down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to shareholders and/or retention or plough back of its profits.
- 1.5 The Board of Directors may in extra-ordinary circumstances, deviate from the parameters listed in this Policy.

**2. POLICY**

- 2.1 The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

**a. The circumstances under which the shareholders may or may not expect dividend;**

The Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings unless the Company is restrained to declare the dividend in unexpected circumstances.

- b. The financial internal /external factors that shall be considered by the Board before making any recommendations for a dividend include, but are not limited to:
  - Current year profits and outlook in line with the development of internal and external environment.
  - Operating cash flows and treasury position keeping in view the total debt to equity ratio.
  - Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.
  - Providing for unforeseen events and contingencies with financial implications.
  - Dividend payout ratio and dividend yield.
  - Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
  - Any political, tax and regulatory changes in the geographies in which the Company operates;
  - Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
  - Any changes in the competitive environment requiring significant investment.

**c. Policy as to how the retained earnings shall be utilized.**

The consolidated profits earned by the Company can either be retained in the business or used for various purposes as outlined in applicable laws or it can be distributed to the shareholders.

**d. Provisions in regard to various classes of shares.**

Currently, the Company has only one class of shares, namely, Equity Shares. The provisions of this Policy shall apply to all classes of shares in future, if any.

2.2 Any approved Dividend shall be paid out of the profits of the Company for that year or out of the profits of the Company for any previous year or years arrived at after providing for depreciation for the year and previous years as per the law; or out of both; or out of any other funds as may be permitted by law. Interim dividend when approved shall be paid during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is declared; or out of any other funds as may be permitted by law.

2.3 The Board may declare interim dividend(s) as and when they consider it fit and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

**3. DISCLOSURE**

This Policy on dividend distribution shall be disclosed in the Annual Report and shall also be uploaded on the website of the Company.

**4. REVISION**

This Policy can be changed, modified or abrogated at any time by the Board of Directors of the Company in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by the relevant statutory authorities, from time to time.

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which make any of the provisions in the Policy inconsistent with such regulations, then the provisions of such regulations would prevail over the Policy.

Any revision to the Policy should be initiated by the CFO and approved by the Board.

\*\*\*\*\*



**ANNEXURE - B**

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

| Remuneration paid to Executive Director |                          |                                  |                                  |  |  |   |
|---|--------------------------|----------------------------------|----------------------------------|--|--|---|
| Name                                    | Title                    | Remuneration in FY23 (Rs. In Mn) | Remuneration in FY22 (Rs. In Mn) | % increase in Remuneration in FY23 over FY22 | Ratio of Remuneration to Median Remuneration of employees of the Company | Median remuneration of employees of the Company (Rs. In Mn) |
| Mr. Sudhir Singh                        | CEO & Executive Director | 339.5                            | 223.0                            | 52.2%  | 226.3  | 1.5   |

| Remuneration paid to Non-Executive Directors |   |                                  |                                  |  |  |   |
|--|---|----------------------------------|----------------------------------|--|--|---|
| Name   | Title   | Remuneration in FY23 (Rs. In Mn) | Remuneration in FY22 (Rs. In Mn) | % increase in Remuneration in FY23 over FY22 | Ratio of Remuneration to Median Remuneration of employees of the Company | Median remuneration of employees of the Company |
| Mr. Basab Pradhan                            | Non-Executive Director<br>Independent Director -<br>Chairperson | 18.5                             | 17.3                             | 6.9%   | 12.3   | 1.5   |
| Mr. Ashwani Puri                             | Independent Director  | 6.6                              | 7.3                              | (9.6)%*                                      | 4.4  | 1.5   |
| Ms. Mary Beth Boucher**                      | Independent Director  | 7.2                              | NIL                              | ***  | 4.8  | 1.5   |
| Mr. Hari Gopalakrishnan                      | Non-Executive Director  | NIL                              | NIL                              | NIL  | NIL  | NIL   |
| Mr. Patrick John Cordes                      | Non-Executive Director  | NIL                              | NIL                              | NIL  | NIL  | NIL   |
| Mr. Kenneth Tuck Keun Cheong                 | Non-Executive Director  | NIL                              | NIL                              | NIL  | NIL  | NIL   |
| Mr. Kirti Ram Hariharan                      | Non-Executive Director  | NIL                              | NIL                              | NIL  | NIL  | NIL   |

\* The % decrease is only due to change in the number of meetings conducted during the respective year.

\*\*Ms. Mary Beth Boucher has been appointed as the new Independent Director w.e.f. May 07, 2022.

\*\*\*The remuneration is not comparable since the amount paid in FY23 was for partial year.

| Remuneration paid to Non-Director KMPs |                         |                                  |                                  |  |
|--|-------------------------|----------------------------------|----------------------------------|--|
| Name                                   | Non Director KMP- Title | Remuneration in FY23 (Rs. In Mn) | Remuneration in FY22 (Rs. In Mn) | % increase in Remuneration in FY23 over FY22 |
| Mr. Ajay Kalra                         | Chief Financial Officer | 43.8                             | 39.2                             | 11.8%  |
| Ms. Barkha Sharma                      | Company Secretary       | 3.2                              | 1.5*                             | **   |

\*Ms. Barkha Sharma was appointed as Company Secretary w.e.f. August 01, 2021.

\*\*The remuneration is not comparable, since the amount paid in FY22 was for partial year.

Note:

- The annualised compensation details of Non-Director KMP as on March 31, 2023 and as on March 31, 2022 has been considered for the above disclosure.
- The percentage increase in the median remuneration of employees in the financial year FY23 over FY22 11.9%
- The number of permanent employees on the rolls of company which is used in median calculation above as on March 31, 2023 : 13,465 (FY22: 11,491).
- The total increase in the aggregate remuneration of the KMPs was 46.6% in FY23. The remuneration for FY22 & FY23 are considered for % increase. Since there was change in the Company Secretary during the previous year, the remuneration is not comparable.
- The increase in the salary of other employees of the Company in FY23 was 5.4% (India - 7.7% and other locations - 3%).
- The remuneration paid during the year FY23 was in line with the Remuneration Policy of the company.

**Annexure - C**  
**STATEMENT PURSUANT TO FIRST PROVISION TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013. READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES**

| S.No. | Name of the subsidiary   | Entity Code | Reporting currency | Exchange rate | Share capital | Reserves & surplus | Total assets  | Total Liabilities | Investments   | Turnover       | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of shareholding | Country     |
|-------|--|-------------|--------------------|---------------|---------------|--------------------|---------------|-------------------|---------------|----------------|------------------------|------------------------|-----------------------|-------------------|-------------------|-------------|
| 1     | Coloforge Limited  | N008        | THB                | 2.41          | 36,128,951    | 609,195,010        | 1,083,034,564 | 437,710,602       | -             | 1,203,893,335  | 16,204,186             | 8,931,884              | 7,272,303             | -                 | 100%              | Thailand    |
| 2     | Coloforge Pte Ltd.   | N009        | SGD                | 61.76         | 1,026,038,694 | 560,699,828        | 2,253,621,880 | 666,889,358       | 1,012,821,596 | 1,132,861,585  | 113,557,947            | 20,623,567             | 92,934,380            | -                 | 100%              | Singapore   |
| 3     | Coloforge Technologies (Australia) Pty Ltd   | N012        | AUD                | 55.04         | 897,179,791   | (393,630,369)      | 784,938,325   | 281,388,923       | -             | 1,535,129,851  | 76,012,261             | (25,768,612)           | 101,780,873           | -                 | 100%              | Australia   |
| 4     | Coloforge FZ LLC   | N050        | AED                | 22.36         | 111,794,153   | 350,786,172        | 2,224,291,330 | 1,761,711,084     | -             | 3,678,209,674  | 201,137,695            | -                      | 201,137,695           | -                 | 100%              | Dubai       |
| 5     | NIT Technologies Philippines Inc (under liquidation)                               | N055        | PHP                | 1.51          | 1,512,378     | 10,012,934         | 10,217,283    | (1,308,030)       | -             | -              | 134,516                | -                      | 134,516               | -                 | 100%              | Philippines |
| 6     | Coloforge Inc.   | N034        | USD                | 82.11         | 233,026,863   | 2,218,741,782      | 6,730,724,318 | 4,278,955,679     | -             | 31,779,334,105 | 1,378,359,096          | 382,496,227            | 995,862,869           | -                 | 100%              | USA         |
| 7     | Coloforge U.K. Ltd.  | N003        | GBP                | 101.56        | 332,750,614   | 2,699,935,662      | 7,226,316,890 | 4,333,630,430     | 3,258,239,966 | 16,400,734,883 | 1,336,931,149          | 226,044,108            | 1,110,887,042         | -                 | 100%              | UK          |
| 8     | Coloforge BV   | N013        | EUR                | 89.28         | 1,620,460     | 13,595,514         | 45,965,151    | 30,749,196        | -             | 114,348,566    | 4,086,830              | 523,334                | 3,563,496             | -                 | 100%              | Netherlands |
| 9     | Coloforge GmbH   | N029        | EUR                | 89.28         | 48,021,346    | 3,872,686          | 224,522,426   | 172,628,393       | -             | 1,043,366,959  | 2,784,327              | 922,753                | 1,861,575             | -                 | 100%              | Germany     |
| 10    | Coloforge Advantage Go   | N039        | GBP                | 101.56        | 1,824,660,134 | 1,011,350,169      | 2,883,173,261 | 347,162,958       | -             | 4,003,366,959  | (688,113,377)          | 152,452,975            | (535,660,402)         | -                 | 100%              | UK          |
| 11    | Coloforge Airline Technologies GmbH  | N045        | EUR                | 89.28         | 89,275,602    | 42,023,365         | 162,178,175   | 30,879,181        | -             | 101,838,286    | 55,723,153             | 18,308,105             | 37,415,048            | -                 | 100%              | Germany     |
| 12    | Coloforge S.A.   | N054        | EUR                | 89.28         | 17,756,917    | 92,841,180         | 279,924,293   | 169,326,199       | -             | 763,961,949    | 69,011,397             | 17,401,957             | 51,609,440            | -                 | 100%              | Spain       |
| 13    | Coloforge Services Ltd   | N041        | INR                | 1.00          | 50,000,000    | (16,146,082)       | 34,034,049    | 180,131           | -             | -              | 1,544,247              | 388,656                | 1,155,591             | -                 | 100%              | India       |
| 14    | Coloforge SmartServe Ltd.  | N028        | INR                | 1.00          | 500,000,000   | 381,412,383        | 1,365,309,107 | 483,896,724       | 536,360,750   | 870,491,890    | 440,292,584            | 82,606,528             | 356,027,803           | -                 | 100%              | India       |
| 15    | Coloforge DPA Private Ltd.   | N060        | INR                | 1.00          | 8,100,000     | 3,073,100,000      | 3,923,500,000 | 842,300,000       | 1,963,900,000 | 3,449,400,000  | 1,221,200,000          | 179,500,000            | 1,041,700,000         | -                 | 100%              | India       |
| 16    | Coloforge DPA Australia Pty Ltd.   | N061        | AUD                | 55.04         | 5,504         | 421,758,163        | 710,377,306   | 288,613,638       | -             | 2,209,091,498  | 212,667,249            | 69,475,180             | 143,192,069           | -                 | 100%              | Australia   |
| 17    | Coloforge DPA UK Ltd.  | N082        | GBP                | 101.56        | 101,559       | 798,708,944        | 1,176,835,316 | 378,024,799       | -             | 4,183,146,414  | 1,027,538,713          | 192,043,681            | 835,495,031           | -                 | 100%              | UK          |
| 18    | Coloforge DPA NA Inc. USA  | N063        | USD                | 82.11         | -             | 127,933,639        | 1,428,561,225 | 1,300,827,585     | 784,998,418   | 1,258,350,412  | (9,199,274)            | (779,497)              | (8,419,777)           | -                 | 100%              | US          |
| 19    | Coloforge BPM Inc.   | N089        | USD                | 82.11         | 8,211         | 1,406,646,795      | 1,740,226,519 | 333,571,529       | 123,169,208   | 2,287,654,984  | 139,760,028            | 36,971,865             | 96,788,163            | -                 | 100%              | US          |
| 20    | Coloforge SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA                                  | N075        | PLN                | 19.08         | 95,399        | 56,516,172         | 112,145,801   | 55,534,230        | -             | -              | 60,840,037             | 18,185,209             | 42,654,828            | -                 | 100%              | Poland      |
| 21    | Coloforge SF Private Limited (erstwhile Whishtworks IT Consulting Private Limited) | N070        | INR                | 1.00          | 2,569,600     | 409,100,000        | 819,800,000   | 408,100,000       | 12,100,000    | 1,513,500,000  | 536,800,000            | 102,200,000            | 434,600,000           | -                 | 100%              | India       |
| 22    | Coloforge SF Limited, UK (Erstwhile Whishtworks Limited, UK)                       | N071        | GBP                | 101.56        | 10,156        | 789,341,041        | 1,763,382,332 | 974,031,141       | -             | 3,009,977,696  | 269,127,259            | 64,596,392             | 204,530,867           | -                 | 100%              | UK          |
| 23    | Coloforge DPA Ireland Limited  | N065        | EUR                | 89.28         | -             | 365,494            | 365,494       | -                 | -             | -              | (347,207)              | -                      | (347,207)             | -                 | 100%              | Ireland     |
| 24    | Coloforge S.R.L., Romania  | N079        | RON                | 18.04         | 3,608         | (694,991)          | 77,253        | 768,635           | -             | -              | (347,207)              | -                      | (347,207)             | -                 | 100%              | Romania     |
| 25    | Coloforge A.B. Sweden  | N078        | SEK                | 7.94          | 198,441       | 271,269            | 1,093,037     | 623,327           | -             | -              | 91,966                 | 47,491                 | 44,476                | -                 | 100%              | Sweden      |
| 26    | Coloforge SDN. BHD. Malaysia   | N076        | MYR                | 18.57         | 19            | 3,643,415          | 61,411,315    | 57,767,881        | -             | 18,982,185     | (392,961)              | 1,295,975              | (903,015)             | -                 | 100%              | Malaysia    |
| 27    | Coloforge Business Process Solutions Private Limited                               | N081        | INR                | 1.00          | 9,030,000     | 1,839,771,474      | 2,970,071,474 | 1,121,270,000     | 632,500,000   | 4,165,602,591  | 1,202,920,404          | 230,549,339            | 972,371,065           | -                 | 60%               | India       |
| 28    | Coloforge BPS America Inc.   | N083        | USD                | 82.11         | 546,050,155   | (449,232,724)      | 1,251,658,588 | 1,154,841,156     | 2,052,820     | 3,517,203,793  | (12,323,959)           | (121,597,733)          | 109,273,774           | -                 | 60%               | US          |
| 29    | SLK GLOBAL PHILIPPINES, INC.   | N084        | PHP                | 1.51          | 231,072,763   | 539,679,831        | 1,091,704,080 | 320,951,487       | -             | 1,521,933,424  | 547,009,549            | 34,606,464             | 512,403,085           | -                 | 60%               | PHILIPPINES |
| 30    | Coloforge Healthcare Digital Automation LLC  | N086        | USD                | 82.11         | 223,944,037   | (25,644,486)       | 245,106,313   | 46,806,782        | -             | 238,075,651    | (24,417,556)           | 18,065                 | (24,435,621)          | -                 | 55%               | US          |
| 31    | SLK Global Solutions North Carolina LLC  | N085        | USD                | 82.11         | 2,052,820     | (577,003)          | 1,475,817     | -                 | -             | -              | 33,639                 | -                      | 33,639                | -                 | 60%               | US          |
| 32    | Coloforge SpA, Santigiago  | N080        | CLP                | 0.10          | 14,577,800    | (738,143)          | 14,037,028    | 197,371           | -             | -              | (301,075)              | -                      | (301,075)             | -                 | 100%              | Chile       |
| 33    | Coloforge Solutions Private Limited - (29 June 2022 to 31 March 2023)              | N087        | INR                | 1.00          | 700,000,000   | (4,000,000)        | 1,017,000,000 | 321,000,000       | -             | 718,000,000    | (5,000,000)            | (3,000,000)            | (2,000,000)           | -                 | 100%              | India       |

Note: Coloforge Japan GK (Wholly owned by Coloforge U.K. Ltd., UK) was incorporated on 7th March 2023

**Annexure - D****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013

**1. Details of contracts or arrangements or transactions not at arm's length basis **NOT APPLICABLE****

Point no 1 of Form No . AOC -2 is not Applicable

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis **NOT APPLICABLE****

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

**NOTE: The above disclosure on material transactions is based on the principle that transactions with the Wholly owned subsidiaries are exempt from Section 188(1) of the Companies Act, 2013.**

## SECRETARIAL AUDIT REPORT

### For the financial year ended on 31st March, 2023

*[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**TO,**  
**The Members, Coforge Limited,**  
**8, Balaji Estate, Third Floor,**  
**Guru Ravi Das Marg, Kalkaji,**  
**New Delhi-110019**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Coforge Limited**” (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of **Coforge Limited’s** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
  - e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi) Foreign Trade Policy of the Government of India (**the law, which is applicable specifically to the Company, being 100% EOU under Software Technology Park Scheme**) to the extent of the following:
  - a) Obtaining Letter of Approval (LOA) for setting up 100% EOU under Software Technology Park (STP);
  - b) Obtaining License for setting up Private Custom Bonded Warehouse;
  - c) Submission of Monthly Progress Report;
  - d) Submission of Annual Progress Report.



We have also examined compliance with the applicable clauses of the following:

- i Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to observations herein under:

1. The Company has identified certain cases as violations of the Insider Trading Code of the Company during the period under review. As per the Company's Code of Conduct to regulate and monitor Insider Trading in the Company, above Identified cases were reported to the Audit Committee as well as Stock Exchange where securities of the Company are listed and appropriate action was taken including but not limited to issuance of warning letter and imposing fine on the designated person.
2. Further, the Company has filed form FCGPR for certain allotments as per prevalent practice suggested by AD bank, however, AD Bank has suggested different mode now, which Company is deliberating with the AD Bank and will get the Forms on record in due course.

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings including committee meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

In terms of the minutes of Board and committee meetings, all the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has:

- (i) Allotted shares under Employee Stock Option Plan to its employees and officers of the Company and necessary compliances of the Act was made;
- (ii) Obtained approval of members for payment of profit related commission payable to Mr. Basab Pradhan (DIN: 00892181) as an Independent Director of the Company and Chairman of the Board and necessary compliances of the Act was made;
- (iii) Obtained approval of members through postal ballot for appointment of Ms. Mary Beth Boucher (DIN: 09595668 as an Independent Director of the Company and necessary compliances of the Act was made;
- (iv) Declared and paid dividend in accordance with the provisions of the Act and necessary compliances of the Act was made;
- (v) Obtained approval of board for providing tax indemnity in relation to ESOP to Mr. Sudhir Singh CEO and Executive Director of the Company.

**FOR RANJEET PANDEY & ASSOCIATES  
COMPANY SECRETARIES**

**Place: NEW DELHI  
Date: 27.04.2023**

**CS RANJEET PANDEY  
FCS- 5922, CP No.- 6087  
UDIN F005922E000258561**

This report is to be read with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.

**Annexure-I**

**TO,  
The Members, Coforge Limited,  
8, Balaji Estate, Third Floor,  
Guru Ravi Das Marg, Kalkaji,  
New Delhi-110019**

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices. and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**OR RANJEET PANDEY & ASSOCIATES  
COMPANY SECRETARIES**

**Place: NEW DELHI  
Date: 27.04.2023**

**CS RANJEET PANDEY  
FCS- 5922, CP No.- 6087  
UDIN F005922E000258561**

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

The Company's Values & Beliefs statement is to ensure that in any association with society, society benefits substantially more than what society gives to us and what society would gain from any other similar association. The policy spells out Company's philosophy towards its social responsibilities and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assessment of projects, programs and activities forming part of CSR. As part of its CSR initiatives, the Company continued its CSR drive around environment, education, employability, infrastructure, local initiatives and engagement.

### 2. Composition of CSR Committee:

| S.No | Name of Director         | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|------|--------------------------|------------------------------------|--|--|
| 1    | Kirti Ram Hariharan      | Chairman                           | 1  | 1  |
| 2    | Ashwani Puri             | Member                             | 1  | 1  |
| 3    | Hari Gopalakrishnan      | Member                             | 1  | 1  |
| 4    | Kenneth Tuck Kuen Cheong | Member                             | 1  | 1  |

3. Provide the web-link where Composition of CSR Policy, CSR committee and CSR projects approved by the board are disclosed on the website of the company.

<https://www.coforge.com/hubfs/Corporate-Social-Responsibility-Policy-V4-1.pdf>

4. a. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):. Impact assessment is not applicable to the Company.
- b. Average net profit of the company as per section 135(5): INR 3,783 Mn
5. (a) Two percent of average net profit of the company as per section 135(5): INR 75.66 Mn
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): INR 71.6 Mn\*

Note\*: INR 4Mn Set off from the previous year

6. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.)  |                   |  |         |                   |
|---|--|-------------------|--|---------|-------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                   |
|   | Amount (in Rs.)  | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
| 65,691,900  | 5,948,900  | April 29, 2023    | NA   | 0       | NA                |
| (65.7 Mn)   | (5.9 Mn)   |                   |  |         |                   |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
|--|--|--|--|--|--|

(b) Details of CSR amount spent against ongoing projects for the financial year:

| 8 (b)Details of CSR amount spent against ongoing projects for the financial year 22-23 |  |   |                      |                          |                     |                   |  |  |   |   |  |                          |    |
|--|--|---|----------------------|--------------------------|---------------------|-------------------|--|--|---|---|--|--------------------------|----|
| 1  | 2  | 3   | 4                    | 5                        |                     | 7                 | 8  | 9  | 10  | 11  | 12   |                          | 13 |
|  |  |   |                      | State                    | District            |                   |  |  |   |   | Name   | CSR Registration number. |    |
| Sl. No   | Name of the Project.                                     | Item from the list of activities in Schedule VII to the Act.  | Local area (Yes/No). | Location of the project. |                     | Project duration. | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |                          |    |
| 1  | Community Library  | (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. | Yes                  | UP                       | Gautam Budhha Nagar | 2022-24           | 3710000                                    | 3710000  | 0   | No  | Rural Education And Development (READ) India         | CSR00001324              |    |
| 2  | Community Library  | (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. | Yes                  | UP                       | Gautam Budhha Nagar | 2022-24           | 18290000                                   | 18290000   | 0   | Yes                                       | Skootr   | NA                       |    |
| 3  | Industry Academia Partnership with Amity                 | (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. | Yes                  | UP                       | Gautam Budhha Nagar | 2021-24           | 10000000                                   | 10000000   | 0   | No  | RITNAND BALVED EDUCATION FOUADATION                  | CSR00002905              |    |
| 4  | Industry Academia Partnership with Chandigarh University | (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. | Yes                  | Punjab                   | Mohali              | 2021-24           | 10000000                                   | 10000000   | 0   | No  | CHANDIGARH   | CSR00037603              |    |



|   |  |   |     |    |                     |         |          |          |   |    |   |             |
|---|--|---|-----|----|---------------------|---------|----------|----------|---|----|---|-------------|
| 5 | Environment conservation through Solid liquid waste management with ILRT | (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]. | Yes | UP | Gautam Budhha Nagar | 2022-24 | 13000000 | 13000000 | 0 | No | Institute of Livelihood Research & Training | CSR00001484 |
|---|--|---|-----|----|---------------------|---------|----------|----------|---|----|---|-------------|

**8 (b)Details of CSR amount spent against ongoing projects for the financial year 22-23**

| 1      | 2   | 3   | 4                    | 5                        | 6                   | 7                 | 8  | 9  | 10  | 11  | 12   | 13                       |
|--------|---|---|----------------------|--------------------------|---------------------|-------------------|--|--|---|---|--|--------------------------|
| Sl. No | Name of the Project.  | Item from the list of activities in Schedule VII to the Act.  | Local area (Yes/No). | Location of the project. |                     | Project duration. | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |                          |
|        |   |   |                      | State                    | District            |                   |  |  |   |   | Name   | CSR Registration number. |
| 6      | Environment conservation through Water conservation, rejuvenation of ponds , renewable energy with Sehgal Foundation                                  | (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4(including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga). | Yes                  | UP                       | Gautam Budhha Nagar | 2022-24           | 6920500                                    | 6920500  | 0   | No  | S M SEHGAL FOUNDATION                                | CSR00000262              |
| 7      | Environment conservation through Sustainable tree planting & forestation, promoting renewable energy with SAFE(SOCIAL) ACTION FOR FOREST & ENVIROMENT | (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4)including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga). | Yes                  | UP                       | Gautam Budhha Nagar | 2022-24           | 6209500                                    | 260600   | 5948900   | No  | SOCIAL ACTION FOR FOREST & ENVIRONMENT               | CSR00019933              |

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| 1      | 2                    | 3  | 4                    | 5                        |          | 6                                     | 7                                      | 8   |                         |
|--------|----------------------|--|----------------------|--------------------------|----------|---------------------------------------|--|---|-------------------------|
| Sl. No | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. |          | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation - Through implementing agency. |                         |
|        |                      |  |                      | State                    | District |                                       |  | Name  | CSR Registration number |
|        | -                    | -  | -                    | -                        | -        | 0                                     | -                                      | 0   | -                       |

- (d) Amount spent in Administrative Overheads INR 20,10,800/-
- (e) Amount spent on Impact Assessment, if applicable: Impact Assessment is not Applicable, whereas INR 15,00,000 is spent
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 65,691,900/-
- (g) Excess amount for set off, if any: Nil

| SI. No. | Particular  | Amount (in Rs. Mn)    |
|---------|---|-----------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5) available for FY23                   | 75,660,000 (75.66 Mn) |
| (ii)    | Total amount spent for the Financial Year FY23  | 65,691,900 (65.7 Mn)  |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | -                     |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -                     |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | -                     |

7. (a) Details of Unspent CSR amount for the preceding three financial years:

| SI. No                | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                 |                   | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|-----------------------|---------------------------|--|--|--|-----------------|-------------------|--|
|                       |                           |  |  | Name of the Fund   | Amount (in Rs). | Date of transfer. |  |
| <b>Not applicable</b> |                           |  |  |  |                 |                   |  |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| 1                     | 2           | 3                    | 4  | 5                 | 6  | 7  | 8  | 9  |
|-----------------------|-------------|----------------------|--|-------------------|--|--|--|--|
| SI. No.               | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed / Ongoing. |
| <b>Not applicable</b> |             |                      |  |                   |  |  |  |  |

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(Asset-wise details)- Not applicable**

- (a) Date of creation or acquisition of the capital asset(s): **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Balance amount is carry forward in next year (SAFE)

Kirti Ram Hariharan  
Chairman, CSR Committee

Sudhir Singh  
CEO & Executive Director

Date: April 27, 2023

## Management's Discussion and Analysis

Management's Discussion and Analysis: FY2023

(Note: data and commentary refer to consolidated performance, unless otherwise stated)

### FY2023: Coforge Achieves US\$ 1 Billion Revenue

Coforge's entry into the US\$ one billion revenue club is the result of commitment of its passionate employees as well as consistent support from our clients and all the stakeholders. This landmark opens multiple new opportunities and puts the company firmly at the beginning of the next level of growth journey towards its new milestone of US\$ 2 billion in revenue.

FY23 was also characterized as the year when we laid the foundation for our growth journey towards the US\$ 2 billion milestone through significant investments and initiatives to materially enhance firm's leadership, capabilities, and execution prowess. Despite the fast evolving and highly uncertain macroeconomic environment throughout the year, we continued our focused approach towards execution-led growth and remain confident that our definitive actions in FY23 will enable us to continue delivering robust growth in the future. The financial year under review also witnessed continuing easing of supply-side constraints resulting in our LTM attrition improve from 17.7% in FY22 to 14.1% in FY23.

We are pleased to report that Coforge registered a total revenue growth of 24.6% in reported terms, 15.6% in US\$ terms and 22.4% in constant currency terms in FY23.

The Adjusted EBITDA margin stood at 18.3% and consolidated net profits after tax excluding one-offs for the year stood at Rs. 8,117 million and saw a growth 22.7% during FY23.

### Global Economic Outlook and Industry Overview

The global economy last year witnessed a gradual recovery from both the pandemic and the Russia-Ukraine war. China's reopened economy seems to be rebounding firmly and the supply chain disruptions are unwinding, while dislocations to energy and food markets caused by the Russia-Ukraine war are receding.

However, the inflation across major economies remains very high with the US & UK inflation already hitting at a four-decade high. To tame the decadal high inflation, the major economies' central bankers have been steeply hiking the interest rates. This massive

and synchronized tightening of monetary policy by most central banks is showing early signs of easing inflation though it's still far-fetched from their targets. As per the IMF, the side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers have taken forceful actions to stabilize the banking system after the failures of two U.S. regional banks and the forced merger of Credit Suisse.

As the world witnessed end of the era of free money, which had been prevalent for almost a decade, the coming fiscal year is expected to see a tough time for the global economy. The International Monetary Fund (IMF) in its April 2023 "World Economic Outlook" has forecasted the global growth to bottom out at 2.8% for the year 2023 against 3.4% in 2022, before rising modestly to 3% in the year 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. However, IMF expects the U.S. economy to grow at 1.6% at the back of strong labour markets. Meanwhile, the Indian economy has shown good resilience and continues to be the fastest growing economy in the world.

According to India's premier information & technology sector body, The National Association of Software and Services Companies (NASSCOM), despite several global headwinds and moderation in demand seen in the last quarter of financial year 2023, the Indian IT industry's value proposition of resilience, agility, and a transformation partner for the global enterprises, has enabled the industry to strengthen its leadership in core and emerging areas. It expects spending on digital to continue with evolving priorities as per changing macroeconomic environment. With evolving buyer preferences, tech service providers are increasingly pivoting to being transformational partners over vendors with a focus on bringing domain specialization and impact-based commercial arrangements. Due to which NASSCOM expects the India's technology industry to continue to grow with a double-digit growth in FY23E. The growth has been across segments of IT services, Business Process Management (BPM), Software Products, Engineering and Research & Development (ER&D), and Domestic market.

The resilience outlook in tech spends is also corroborated by Gartner, which in its April 2023 forecast has indicated an increased IT spending despite global economic turbulence. Gartner has projected the Worldwide IT spending to total US\$ 4.6 trillion in 2023, an increase of 5.5% from 2022. The IT services segment is also expected to grow by 9.1% to US\$ 1.36 trillion in 2023 and is expected to post a double-digit growth of 10.2% in 2024 at \$1.5 trillion. It also expects the banking crisis in US and Europe to remain contained and impact more to the start-up ecosystem. At the back of many countries expecting a near flattening GDP growth, it does not expect any slowdown in digital transformation. Despite

layoffs seen in tech sector, it expects demand of tech talent to outstrip supply until 2026. The IT spending on internal services could slow down across industries, and as a result, enterprises would be spending more money to retain fewer staff and turning to IT services firms to fill in the gaps. This augurs well for the Indian IT services sector.

According to NASSCOM, India remains a global talent hub with the technology sector employing over 5.4 million workforce and creating 290,000 new jobs in FY23. With a 36% digitally skilled workforce, the industry remains on the top in terms of AI skills penetration, the 2nd largest in terms of AI/ML BDA talent pool, globally and 3rd globally, in terms of installed supply of Cloud professionals.

Further, NASSCOM also mentions that the proportion of digital technology has increased from 26-28% in FY20, to over 32-34% in FY23. The IT/Tech industry has seen increased penetration of digital tech in areas like Analytics, Cloud, and Cybersecurity which are emerging as the fastest growing segments wherein the share of Cloud deals was reportedly 4x of the pre-pandemic levels.

### Our Strategy

Globally, organizations would like to keep meeting their strategic objectives by leveraging digital even in an uncertain environment. Technology has become mission-critical to business success and enterprises need to monitor and evaluate implementation of technologies that will help the organizations to run more efficiently every day to remain agile and achieve a competitive edge. IT transformation that would be priority into the coming year will be a wider adoption of low-code / no-code platforms, increased migration to the cloud, leveraging AI and ML technologies, increased automation, data & analytics, virtual business collaboration, everything-as-a-service (XaaS) and wider investments in technologies like generative AI, cyber security, etc.

Coforge has robust presence across and critical mass in capabilities of products and platforms, intelligent automation, data and integration, cloud and infrastructure management, software engineering and business process management. Our strategy remains rooted in our deep domain expertise in the verticals where we operate, and effective delivery execution has and continues to be a core part of our customer value proposition. During the year, we continued investments in developing deep expertise in next-generation digital technologies and expanded our partnerships with leading product & platform providers in digital and cloud domains.

For FY23, the digital, cloud & infrastructure management services constituted 64% of the firm's global technology services revenues (which excludes BPS service offering revenues).

### A) Client Centricity and Execution Focus

We believe that an intense focus on execution is at the core of our operating culture. The focus on execution reflects in the healthy

Net Promoter Score (NPS) achieved in the Voice of Customer survey for 2023, and in a high repeat business rate. In FY23, our repeat business (which is defined as revenue from existing clients at the start of the applicable year that generated revenue in such year) stood at 92%. The focus on high-quality execution drove the firm's top 10 accounts FY23 growth of 18.2% in US\$ terms. The firm has also become empanelled as a preferred tech services partner across multiple Fortune 100 and Fortune 500 clients. As of March 31, 2023, Coforge is serving 61+ Forbes Global 1000 clients.

A structured go-to-market strategy along with focus on selected verticals has also resulted in increased ticket size of the deals being won by the firm. During financial year 2023, Coforge signed 11 large deals (\$20mn+ TCV). This included two \$50+ million and five \$30+ million contracts. These large deals bring into play all of Coforge's core transformation capabilities across enterprise architecture, industry consulting, data architecture, cloud engineering, digital integration, and intelligent automation. The total order intake for the year stood at an all-time high of US\$ 1.3 billion.

### B) Strengthening partnerships ecosystem

We materially strengthened our partnerships with leading industry platform providers during the financial year 2023. Our partnership with ServiceNow was enhanced to an elite level partner status. This upgraded partnership with ServiceNow will open doors to our customers for innovative co-developed industry solutions with a faster time to market.

We also expanded our partnership with Google in APAC to offer our clients Google Cloud platform-based solutions. Coforge was also accredited by AWS as a public sector partner. This partnership will enable us to provide tailored cloud-based solutions on AWS platforms for our customers in government and non-profit sectors.

Coforge received the Azure Expert Managed Service Provider tier with Microsoft. We also concluded our partnership with Sysdig, the unified Cloud and Container Security Leader. This has seen us launch our container security and monitoring services. Furthermore, as part of our efforts to expand our partnership ecosystem, Coforge entered new partnerships with Databricks, a cloud data and AI company and with Newgen, a global provider of a low-code digital transformation platform. A partnership with key low-code, no-code platform players like Pega and Appian continues to fuel significant growth for our Digital Process Automation business.

We also announced a partnership with the Mack Institute for Innovation management at the Wharton Business School. This partnership will help re-enforce our efforts to enhance our technology capabilities and to help us deliver value-add solutions to our customers.



### C) Investing in capabilities and emerging technologies

In line with our mission to 'Engage with the Emerging', we announced a Center of Excellence (CoE) dedicated to exploring applications of Web3 Technologies and the Metaverse. The CoE was inaugurated as part of Coforge's Annual Technology Conference, TechCon 2022 that saw multiple demonstrations, and proof of concepts for the Metaverse using cases across industry verticals. The Coforge Metaverse experience Center is a virtual reality space that is being used to demonstrate use cases across industries. We have also embarked on a program to use the Metaverse for our leadership assimilation programs and employee onboarding here at Coforge which is a great way to deliver value while we build up our metaverse capabilities.

We also announced setting up of a low code/no code service line to focus on developing industry-specific use cases, leveraging low code/no code platforms, such as Pega, Appian, Mendix and OutSystems to accelerate time-to-market for our customers. We continue to invest in improving our engineering excellence through initiatives such as developing a plug-and-play devops framework, and an automation accelerator framework.

During the year, we had shared our plans about transforming the legacy ADM service-line into a product engineering focus capability. This is an ongoing area of focus, and we have initiated large, targeted, learning and development (L&D) initiatives towards this. The L&D programs have also been expanded to cover project and program management areas. We also continue to invest into domain-specific skills development, using learning academies that deliver domain-specific learning paths. This model has also been extended to key customers, where the learning programs are client specific, and they deliver the benefit of higher productivity as well as better retention of people.

#### Recognitions

On the recognition front, Coforge received an award for the 'Best Use of (AI) Artificial Intelligence in the BFSI sector' at the Financial Express-FUTECH Awards 2022. We were recognized for the application of AI in credit risk scoring. In addition, we won the award from MuleSoft for the 'Breakthrough Partner of the Year, our 8th consecutive award from MuleSoft in the recent few years.

Coforge was named in the Top 15 Service and Technology Providers standout globally by ISG and we were Among the Leading Providers in the Booming 15 Category based on the Annual Contract Value won over the last 12 months according to the Third Quarter 2022 Global ISG Index™.

We were recognized for the first time in the Everest Peak Matrix for Application & Digital services for both P&C and L&A insurance segments. We were classified as a star performer in the major contender segment.

In recognition of Coforge's Learning & Development efforts, we were awarded the Leaders Award for 'Best Learning Outcome 2022' by Skillsoft, a global leader in corporate digital learning.

As proof of Coforge's strong commitment to seamless business continuity, we were certified a new ISO 23001 model for BCMS, Business Continuity Management System. This new standard provides an international best practices framework for security, resilience, and business continuity in an organization.

The CMMI Institute assessed Coforge Delivery Services at CMMI Maturity Level Five. This is the Seventh Consecutive Time we've achieved CMMI Maturity Level 5, since our very first assessment in 2004.

During the year, Coforge was proudly recognized as one of India's Best Workplaces for Women. We have won this recognition second year in a row, and this added testament to our people-centric approach, and employee-friendly policies comes after having been certified as a Great Place to Work® in the last quarter.

#### Financial Performance

Consolidated revenue for the full year FY2023 grew 24.6% over last year to Rs. 80,146 million. In constant currency (cc) terms, growth for the year was 22.4%.

The BFS vertical registered stellar growth of 47.0% in CC terms in FY23 and contributed 30.7% of the total revenues. TTH vertical grew 21.5% and contributed 19.1% of the total revenues. The Insurance vertical growth declined by 3.7% and contributed 22.6% of the total revenues. Other businesses, including primarily Healthcare, Hi-tech, Retail and Overseas Public Sector collectively grew 23.1% year-on-year in CC terms and they represented 27.5% of the overall revenues.

The geo-based growth cuts also showed sustained growth. Americas, which contributes to 49.9% of global revenues, grew by 20.2% year-on-year. EMEA revenues grew by 36.9% YoY and now represents 38.9% of the revenue mix. RoW grew 8.3% during the year and contributed 11.2% to total revenues.

Reflecting on the revenues by service offerings, Data and Integration contributes 23.5% of the overall revenue mix grew 40.5% in FY23. Intelligent Automation contributes 12.0% and grew 8.4% and Product Engineering now contributes 10.1% of the total revenues. Cloud and Infrastructure Management offering contributes 18.3% and grew 27.9%, Software Engineering contributes 26.2% and grew 31.3%. Business Process Services (BPS) now contributes 9.9% of FY23 revenues.

The significant growth in revenue was accompanied by an uptick in gross margins as well during the year. For FY23, gross margins increase by 55 bps to 32.5% and the Company invested substantially in the front-end leadership and capability enhancements throughout the year. EBITDA (before ESOP and

acquisition related costs) increased by 21.5% during the year and stands at Rs. 14,649 million, translating into margin of 18.3% for the year. Selling, General & Administrative (SG&A) expenses as a % of total revenue increased from 13.3% in FY22 to 14.3% in FY23.

EBIT grew by 29.1% year-on-year and stands at Rs. 11,468 million, resulting in margin of 14.3%.

Coforge has filed for an ADR for which it has incurred an expense of Rs. 523 Million over the last 18 months. These expenses were reflected as recoverable from the selling shareholders in the balance sheet. As the market conditions continue to be unfavorable for the ADR issue, basis accounting prudence, a provision of Rs. 523 million for these expenses has been made in Q4FY23. Additionally, the board has approved an amount of Rs. 803 million towards gifts to all the employees and celebrations across all locations for achieving US\$ 1 billion milestone. An amount of INR 803 million towards gifts has been incurred in Q4FY23.

Excluding these exceptional one-off charges, the net profits (after minority interest) for the year increased by 22.7% and stood at Rs. 8,117 million, implying a net margin of 10.1%.

The effective tax rate for the year (adjusted for one offs) stood at 20.4% as against 17% in the previous year.

| Verticals: contribution to consolidated revenues (in %) | FY2023 | FY2022 |
|---|--------|--------|
| Banking and Financial Services                          | 31%    | 26%    |
| Insurance   | 23%    | 28%    |
| Travel, Transportation & Hospitality                    | 19%    | 19%    |
| Others  | 28%    | 27%    |
| Geographies:contribution consolidated revenues (in %)   | FY2023 | FY2022 |
| Americas  | 50%    | 52%    |
| EMEA*   | 39%    | 35%    |
| Rest of World   | 11%    | 13%    |

\* Comprises of United Kingdom, Europe, and Middle East.

### Robust Balance Sheet

As on March 31, 2023, cash and cash equivalents were Rs. 6,025 million (compared to Rs. 4,718 million a year ago on March 31, 2022). This increase in cash is primarily attributed to operating cash flow generation in the business offset by investments and dividend pay-outs. The Company's total liabilities as on March 31, 2023, were Rs. 25,135 million that included Future Acquisition Liability of Rs. 3,865 million, lease liabilities of Rs.2,240 million and Non-Convertible Bonds of Rs 3,382 million. The Company's net worth (excluding minority interest) as on March 31, 2023, stood at Rs. 30,825 million.

DSO decreased to 61 days as on March 31, 2023, compared to 63 days a year ago.

### Segment Results

| Segment information at Consolidated level | Year Ended March 31, 2023 | % to Income | Year Ended March 31, 2022 | % to Income |
|---|---------------------------|-------------|---------------------------|-------------|
| <b>Revenue from Operations</b>            | <b>Rs. Mn.</b>            |             | <b>Rs. Mn.</b>            |             |
| Americas                                  | 40,020                    | 49.9%       | 33,288                    | 51.8%       |
| Europe, Middle East and Africa            | 31,175                    | 38.9%       | 22,771                    | 35.4%       |
| Asia Pacific                              | 5,817                     | 7.3%        | 5,439                     | 8.5%        |
| India                                     | 3,134                     | 3.9%        | 2,822                     | 4.4%        |
| <b>Total Income</b>                       | <b>80,146</b>             |             | <b>64,320</b>             |             |
| <b>Adjusted EBITDA</b>                    |                           |             |                           |             |
| Americas                                  | 6,176                     |             | 6,056                     |             |
| Europe, Middle East and Africa            | 6,611                     |             | 4,706                     |             |
| Asia Pacific                              | 749                       |             | 590                       |             |
| India                                     | -286                      |             | -198                      |             |
| <b>Total</b>                              | <b>13,250</b>             |             | <b>11,154</b>             |             |
| Depreciation and Amortization)            | 2,585                     |             | 2,272                     |             |
| Other Income (net                         | -630                      |             | -267                      |             |
| <b>Profit Before Exceptional items</b>    | <b>10,035</b>             |             | <b>8,615</b>              |             |
| Exceptional items                         | 523                       |             | -                         |             |
| Profit Before Tax                         | 9,512                     |             | 8,615                     |             |
| Provision for Tax                         | 2,061                     |             | 1,468                     |             |
| <b>Profit after Tax</b>                   | <b>7,451</b>              |             | <b>7,147</b>              |             |

| Key Financial Ratios            | FY 2022-23 | FY 2021-22 |
|---------------------------------|------------|------------|
| EBITDA Margin (%)*              | 17.5%      | 17.3%      |
| Net Profit Margin (%)*          | 10.1%      | 10.3%      |
| Days sales outstanding - Billed | 61         | 63         |
| Return on Equity (RoE)          | 23.9%      | 25.5%      |
| Debt-Equity Ratio               | 0.11       | 0.13       |
| Debt Service Coverage Ratio     | 20.19      | 22.65      |
| Current Ratio                   | 1.50       | 1.88       |

\*FY23-Adjusted for 1-OFFs- US Dollar 1 Billion Milestone Cost and ADR Expenses.

### Human Resources

During the financial year, we added net 724 people to our headcount. Total headcount of the firm stood at 23,224 at the end of FY23. The firm added 480 freshers in FY23.

Utilization including trainees during the year stood at 78.9% as compared to 77.1% in the previous year. Despite industry-wide supply-side challenges, attrition stood at 14.1% compared to 17.7% in Fiscal 2022. Our attrition remains one of the lowest across the industry and a best testament to the Coforge culture.

### Risks and Concerns

Risks and uncertainties related to our business and industry include, but are not limited to, the following:

- The resurgence of pandemic like COVID19 witnessed about a year back, either at a regional or global level could impact our sales and results of operations. During fiscal 2023, the impact on our revenue due to supply and demand risks we experienced from the COVID-19 pandemic was not significant.
- Technology spending on products and services by our customers and prospective customers depending on many factors, including the economic, geo-political, monetary and fiscal policies and regulatory environment in the markets in which they operate in.
- Economic slowdown including recession could impact the economic health of a nation and industries which operate from those nation like US, UK, Germany etc, from where we derive our major revenue.
- Resourcing risk - Our business is dependent on our ability to attract and retain highly skilled professionals, succession, employee development and training.
- Cyber Security risk – with change in technologies and adaption of new technologies by customers cyber security is an important risk for successful operations of our business.
- The risk of COVID-19 type pandemic in the future and resultant changing immigration regulations, which had affected our ability to deploy our personnel around the world for successful operations remains a risk.
- If we were to lose the services of members of our senior leadership team or other key employees, our business, financial condition and results of operations, including our competitive position and client relationships, may be adversely affected.
- A reduction in the outsourcing budgets of, and strategic decisions to reduce the use of third parties by, our existing and prospective clients could affect our pricing and volume of work.
- Our ability to continue to develop and expand our service offerings to address emerging business demands and technological trends, including our ability to sell differentiated services, may impact our future growth. If we are not successful in meeting these business challenges, our business, financial condition and results of operations may be materially and adversely affected.
- Foreign exchange-related risk could adversely affect our business.

#### Outlook

We are proud of Team Coforge to have hit the US\$ 1 bn revenue milestone a year before what was originally envisaged, and that too despite a COVID year which severely impacted Company's travel vertical's business. We now are planning towards our next revenue milestone of US\$ 2 billion and FY23 was all about proactively putting the right building blocks in place for that goal and beyond. While there are looming macro headwinds and recession in few of our markets, the record high large deal wins, strong executable order book, strong deal pipeline, presence in high spend verticals (BFSI/HLS/Public Sector), investments in hiring top notch leaders and the new structure being in place, give us confidence towards continued growth momentum in to FY24.

## Annexure I

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

## SECTION A: GENERAL DISCLOSURES

## I. Details of the listed entity

|    |   |  |
|----|---|--|
| 1  | Corporate Identity Number (CIN) of the Listed Entity  | L72100DL1992PLC048753  |
| 2  | Name of the Listed Entity:  | Coforge Limited  |
| 3  | Year of incorporation:  | 1992   |
| 4  | Registered office address   | 8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji, New Delhi -110019  |
| 5  | Corporate address   | Special Economic Zone, Plot No. TZ-2& 2A, Sector - Tech Zone, Greater Noida (UP) - 201308, India   |
| 6  | E-mail  | investors@coforge.com  |
| 7  | Telephone   | Regd. Office: +91 11 41029 297<br>Corporate Office: +91 120 4592300  |
| 8  | Website:  | <a href="http://www.coforge.com">www.coforge.com</a>   |
| 9  | Financial year for which reporting is being done  | April 1, 2022 to March 31, 2023  |
| 10 | Name of the Stock Exchange(s) where shares are listed :   | 1. National Stock Exchange of India Limited (NSE)<br>2. BSE Limited (BSE)  |
| 11 | Paid-up Capital (as on March 31, 2023):   | INR 610,870,800  |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: | <ul style="list-style-type: none"> <li>• Sudhir Singh, Chief Executive Officer and Executive Director, ; <a href="mailto:sudhir.singh@coforge.com">sudhir.singh@coforge.com</a></li> <li>• Vic Gupta, Chief Sustainability Officer, ; <a href="mailto:vic.gupta@coforge.com">vic.gupta@coforge.com</a></li> <li>• Barkha Sharma, Company Secretary &amp; Chief Compliance Officer, ; <a href="mailto:barkha.sharma@coforge.com">barkha.sharma@coforge.com</a></li> </ul> |
| 13 | Reporting Boundary: The Basis of Reporting is Standalone (unless otherwise noted)   |  |

## II. Products/services

## 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity                        | % of Turnover of the entity |
|--------|------------------------------|---|-----------------------------|
| 1      | Information & Communication  | Computer Programming, consultancy, and related services | 100                         |

## 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service   | NIC Code                             | % of total turnover contributed |
|--------|---|--------------------------------------|---------------------------------|
| 1      | Computer programming, consultancy, and related activities | Class:6201<br>Sub-class:62011 &62013 | 100                             |

## III. Operations

## 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | NA               | 21                | 21    |
| International | NA               | 03                | 03    |



17. Markets served by the entity:

a. Number of locations

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 18     |
| International (No. of Countries) | 14     |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Approx. 86%

c. A brief on types of customers: Computer Programming, consultancy and related services are provided to the following industry:

- Banking & Financial Services Sector
- Insurance Sector
- Travel & Tourism Sector
- Hospitality Sector
- Retail Sector
- Healthcare Sector
- Public sector

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No.           | Particulars                    | Total (A) | Male    |           | Female  |           |
|------------------|--------------------------------|-----------|---------|-----------|---------|-----------|
|                  |                                |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>EMPLOYEES</b> |                                |           |         |           |         |           |
| 1                | Permanent (D)                  | 12240     | 9214    | 75%       | 3026    | 25%       |
| 2                | Other than Permanent (E)       | 1225      | 1128    | 92%       | 97      | 8%        |
| 3                | <b>Total employees (D + E)</b> | 13465     | 10342   | 77%       | 3123    | 23%       |
| <b>WORKERS</b>   |                                |           |         |           |         |           |
| 4                | Permanent (D)                  | NIL       | NIL     | NIL       | NIL     | NIL       |
| 5                | Other than Permanent (E)       | 629       | 535     | 85%       | 94      | 15%       |
| 6                | <b>Total employees (F + G)</b> | 629       | 535     | 85%       | 94      | 15%       |

b. Differently abled Employees and workers:

| S. No.                             | Particulars                    | Total (A) | Male    |           | Female  |           |
|------------------------------------|--------------------------------|-----------|---------|-----------|---------|-----------|
|                                    |                                |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |                                |           |         |           |         |           |
| 1                                  | Permanent (D)                  | NIL       | NIL     | NIL       | NIL     | NIL       |
| 2                                  | Other than Permanent (E)       | NIL       | NIL     | NIL       | NIL     | NIL       |
| 3                                  | <b>Total employees (D + E)</b> | NIL       | NIL     | NIL       | NIL     | NIL       |
| <b>DIFFERENTLY ABLED WORKERS</b>   |                                |           |         |           |         |           |
| 4                                  | Permanent (D)                  | NIL       | NIL     | NIL       | NIL     | NIL       |
| 5                                  | Other than Permanent (E)       | NIL       | NIL     | NIL       | NIL     | NIL       |
| 6                                  | <b>Total employees (F + G)</b> | NIL       | NIL     | NIL       | NIL     | NIL       |

## 19. Participation/Inclusion/Representation of women

| Particulars              | Total<br>(A) | No. and percentage of Females |           |
|--------------------------|--------------|-------------------------------|-----------|
|                          |              | No. (B)                       | % (B / A) |
| Board of Directors       | 8            | 1                             | 13%       |
| Key Management Personnel | 3            | 1                             | 33%       |

## 20. Turnover rate for permanent employees and workers

*(Disclose trends for the past 3 years)*

|                            | FY 2023<br>(Turnover rate in current FY) |        |        | FY 2022 (Turnover rate in<br>previous FY) |        |        | FY 2021 (Turnover rate in the year<br>prior to the previous FY) |        |        |
|----------------------------|--|--------|--------|---|--------|--------|---|--------|--------|
|                            | Male                                     | Female | Total  | Male                                      | Female | Total  | Male  | Female | Total  |
| <b>Permanent Employees</b> | 36.26%                                   | 32.54% | 35.36% | 41.16%                                    | 40.21% | 40.92% | 22.36%  | 23.98% | 22.77% |
| <b>Permanent Workers</b>   | NIL                                      | NIL    | NIL    | NIL                                       | NIL    | NIL    | NIL   | NIL    | NIL    |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

Yes, please refer the information on Holding, Subsidiary and Associate Companies as provided in the Annual Report for more information.

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

Please refer to AOC-1 (in the Board Report).

## VI. CSR Details

## 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in Rs.) – 42,305 (INR Mn)

(iii) Net worth (in Rs.) – 26,153 (INR Mn)

## VII. Transparency and Disclosures Compliances

The Company's Code of Conduct aims to uphold the standards of its business ethics and practices, which are required to be observed in all business transactions. These are applicable to all its employees as well as Directors. This Code of Conduct and Business ethics is available on the Company's website [www.coforge.com](http://www.coforge.com) and covers all aspects of its operations.

## 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)<br><br><i>(If Yes, then provide web-link for grievance redress policy)</i> | FY 2023<br>Current Financial Year          |  |         | FY 2022<br>Previous Financial Year         |  |         |
|---|--|--|--|---------|--|--|---------|
|   |  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | Please see below   | Nil  | Nil  | Nil     | Nil  | Nil  | Nil     |
| Investors (other than shareholders)               | Please see below   | Nil  | Nil  | Nil     | Nil  | Nil  | Nil     |
| Shareholders                                      | Please see below   | 1  | 0  | -       | -  | -  | -       |
| Employees and workers                             | Please see below   | 2  | 0  | -       | -  | -  | -       |
| Customers   | Please see below   | -  | -  | -       | -  | -  | -       |
| Value Chain Partners                              | Please see below   | -  | -  | -       | -  | -  | -       |
| Other (please specify)                            | Please see below   | -  | -  | -       | -  | -  | -       |

Please see our website for various policies such as:

- Code of Conduct - <https://www.coforge.com/investors/code-of-conduct>
- Various Policies such as Whistle Blower, RPT, Board Diversity, etc. - <https://www.coforge.com/investors/policies>

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity   | In case of risk approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative Implications)   |
|--------|---|--|--|---|--|
| 1      | Climate Change: Climate change is a global issue that requires immediate action.  | Risk                                       | If Climate Change is not addressed in time, it may lead to sub-optimal living conditions.      | Our strategies include steps to reduce our carbon footprint, with renewable energy sources, implementing energy-efficient lights and buildings and investing in carbon offset programs via our CSR activities. All such effort will require funding in capital goods, time from employees, and activities to support our ability to be carbon neutral and reduce our environmental footprint. |  |
| 2      | Water Conservation: Water being a precious resource, conserving it is crucial for the sustainability of our planet.             | Opportunities                              | We believe that conservation of Water offers an opportunity to help to slow the Climate change |   | Our strategies to reduce water usage and minimize waste, such as using low-flow fixtures, water-free urinals, recycling wastewater, treatment via affluent plants and implementing rainwater harvesting systems are few opportunities. |
| 3      | Waste Management: Proper waste management is essential for protecting the environment and reducing our environmental footprint. | Opportunities                              | Reducing waste with recycling is an opportunity to save more of our landfills                  |   | Our strategies are to reduce waste, recycle materials, remove single-use plastics and dispose of hazardous waste safely. This supports our ambition for environment protection and conservation.                                       |

|   |  |               |  |  |   |
|---|--|---------------|--|--|---|
| 4 | Talent & Education: Investing in talent and education is essential for the long-term success of Coforge.   | Opportunities | Bringing education and shaping talent for all the community provides us with future employees        |  | Our strategies include providing employees with opportunities for professional development and education, as well as creating a diverse and inclusive workplace culture. This in turn will help us be more creative, diverse, inclusive, and global citizens. |
| 5 | Governance: Good governance is critical for the success of Coforge and sustainability of the planet.   | Risk          | Governance and Risk Management are always challenging to manage in an everchanging world             | Our strategies include implementing ethical and transparent business practices, establishing effective risk management strategies, and ensuring compliance with regulatory requirements.   |   |
| 6 | Employee Health & Safety: Protecting the health and safety of employees is a top priority.   | Risk          | Employee Health and Safety is a challenge as we saw during COVID years                               | While employee wellness is a top priority, we are not immune to the Force Majeure events such as Covid, Weather & crime related, and others. Some of our strategies include implementing safety protocols, providing access to healthcare resources, and promoting healthy lifestyles for all employees. |   |
| 7 | Cyber Security: As companies become increasingly reliant on technology, cyber security is a growing concern.   | Risk          | In today's Digital age, protecting our assets are critical to our operations                         | We have implemented a robust set of security measure and controls to protect against cyber threats and safeguard and protect sensitive data of Coforge and our clients.  |   |
| 8 | Diversity Equity & Inclusion: Promoting diversity, equity, and inclusion is essential for creating a positive workplace culture and supporting the success of all employees. | Opportunities | Our DEI and associated policies offer our clients a more diverse and varied views to solve a problem |  | Our strategies include implementing policies to prevent discrimination, fostering a culture of respect and inclusivity, and promoting diversity in hiring practices. This enables us to be bring many diverse ideas and cater to larger set of clients.       |



|    |   |               |   |  |   |
|----|---|---------------|---|--|---|
| 9  | Community Development: Development of community we live in is a critical focus for us.  | Opportunities | As we develop communities around us, we are sure to find future employees   |  | Our strategies include engaging in philanthropic initiatives, supporting local businesses, volunteering employee time and promoting economic development. Increasing community activity enables us to create future Coforge first-class employees.            |
| 10 | Code of Ethics: An important cornerstone of our organization operations is to operate with integrity and with ethical principles. | Opportunities | Establishing Ethics is an opportunity to reflect and gain mindshare among our clients, partners, suppliers, shareholders, and employees |  | Our intention and ambition are to operate ethical under all circumstances. Our strategies to mitigate include establishing a code of conduct, implementing compliance and ethics training programs, and holding employees accountable for ethical violations. |
| 11 | Green IT: The IT industry is a significant contributor to carbon emissions.   | Opportunities | Leveraging cloud and other Green IT technologies helps us to reduce our carbon footprint  |  | Our strategies include using green technologies, such as cloud, to further reduce our environmental footprint and impact along with usage and promotion of third-party renewable energy sources.  |
| 12 | Supply Chain Sustainability: Ensuring the sustainability of the supply chain is critical for our long-term success.               | Opportunities | Enabling a sustainable value chain increases our impact exponentially   |  | Our strategies include implementing ethical sourcing practices, promoting sustainable manufacturing practices, and minimizing the environmental impact of transportation and logistics.   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions   | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 a Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |

|   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|
| b   | Has the policy been approved by the Board? (Yes/No)   | Y   | Y | Y | Y | Y | Y | Y | Y | Y |
| c   | Web Link of the Policies, if available  | Code of Conduct : <a href="https://www.coforge.com/investors/code-of-conduct">https://www.coforge.com/investors/code-of-conduct</a> Whistle blower Policy: <a href="https://www.coforge.com/hubfs/Whistle-Blower-Policy-Coforge.pdf">https://www.coforge.com/hubfs/Whistle-Blower-Policy-Coforge.pdf</a><br>CSR Policies- <a href="https://www.coforge.com/hubfs/Corporate-Social-Responsibility-Policy-V4-1.pdf">https://www.coforge.com/hubfs/Corporate-Social-Responsibility-Policy-V4-1.pdf</a>   |   |   |   |   |   |   |   |   |
| 2   | Whether the entity has translated the policy into procedures. (Yes / No)  | Y   | Y | Y | Y | Y | Y | Y | Y | Y |
| 3   | Do the enlisted policies extend to your value chain partners? (Yes/No)  | Y   | Y | Y | Y | Y | Y | Y | Y | Y |
| 4   | Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | Y   | Y | Y | Y | Y | Y | Y | Y | Y |
| 5   | Specific commitments, goals and targets set by the entity with defined timelines, if any.   | Y   | Y | Y | Y | Y | Y | Y | Y | Y |
| 6   | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.  | Y   | Y | Y | Y | Y | Y | Y | Y | Y |
| <b>Governance, leadership and oversight</b> |   |   |   |   |   |   |   |   |   |   |
| 7   | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)                                      | <p>Our ESG/S is an exhaustive strategy threaded in every aspect of our operational fabric. It helps us to reduce our impact to the environment, offers alignment and affinity to social and community values, and ensures responsible and ethical practices employed across all functions”</p> <p>ESG/S (Environmental, Social, and Governance) including Sustainability are critical components of Coforge’s organizational strategy. They are an essential part of the DNA of the organization supported with policies, processes, and standards to ensure long-term sustainability and success of all our stakeholders. It helps us create trust with customers and stakeholders, help us to streamline and increase operational efficiency, offers a platform for employees, partners, suppliers, and customer engagements, and enables us to build an inclusive culture with social values. It helps us to ensure that the services we provide are the most environmentally friendly and our employees are treated fairly and equitably.</p> |   |   |   |   |   |   |   |   |

Our investments in ESG practices will ensure that we can continue to provide our services in a responsible manner and that we are creating trust and loyalty with our employees, partners, suppliers, customers, and all stakeholders. Our ESG/S Ambitions, strategies and pledges consider a comprehensive approach to sustainability that consider both long term view and short-term implications of our activities and decisions. They are specifically aligned towards fighting climate change, range of social and community activities supporting employees, suppliers, and client alike, and ensuring ethical and responsible governance practices are adopted. We are also committed to aligning to the UN Sustainable Development Group objectives and have adopted all 17 objectives in our activities and operations.

Environment - Reduce our carbon footprint and greenhouse gas emissions.

Our environmental strategies are focused on reducing our impact on the environment by reducing our reliance on fossil fuels and increasing the renewable fuel consumption. Ensure we use low emissions fuels such as LPG and CNG in all our fleet services, use only energy efficient appliances, lights, and fixtures, ensure all our buildings and facilities are green and LEED certified, and reducing our waste and recycling as much as possible.

- Climate Change – Be carbon neutral by 2030. Reduce our fossil fuel consumption and increase carbon offsets using impactful social and environment development projects.
- Water Conservation – Be Water Positive by 2030. Conserve, harvest and recycle water to effectively be water positive.
- Waste Management – Be zero waste by 2030. Create an effective waste management ecosystem to reduce waste, recycle as much as possible and minimize to landfill

Social - Inspire inclusive growth.

Our values extend beyond the services we offer and deliver to our clients. It exemplifies and extends to all our extended communities and society at large that we are part of and can positively influence the economic development by changing the lives for the better. This helps us to address economic divide and inequality and provide equal opportunity for all. Enables us as global citizens to drive positive change and demonstrate responsible behavior across the value chain.

- Employee health & wellness – Ensure every employee's health and wellness, be it physical, mental, financial, emotional, and overall wellness is managed and maintained. Empower every employee to do the best they can both in professional and personal life while attracting new and retain existing.

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Upliftment of social livelihood – Empower underprivileged communities by training and educating them in new digital skills; increase self-reliance; create a library for all.</li> </ul> <p>Governance - Create lasting value for all stakeholders.</p> <p>Our governance policies such as cyber security, sustainable supply, including Code of Ethics sets a benchmark for all our employees to adopt good practices to apply in unique and difficult situations in their career with Coforge. These are augmented by specific quantifiable and qualitative metrics to identify the right suppliers who are deemed ESG worthy to do business with Coforge.</p> <ul style="list-style-type: none"> <li>• Cyber Security – Comprehensive and proactive cyber security to protect our and our client's digital assets.</li> <li>• Supply Chain Sustainability – Enhance and focus on suppliers with ESG/S first outlook and performance.</li> <li>• Code of Ethics – Safeguard against illegal practices such as zero tolerance for corruption, anti-bribery, unfair labor, human rights abuses, etc.</li> </ul> |
| 8 | <p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p> <p>Vic Gupta is Chief Sustainability Officer at Coforge. He is responsible for ensuring that ESG/S practices are integrated into all aspects of the organization's strategy, policies, processes, and standards. He leads efforts to reduce the company's carbon footprint and greenhouse gas emissions, conserve water, and manage waste effectively, among other environmental initiatives. systems.</p>   |
| 9 | <p>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p> <p>Yes</p> <ul style="list-style-type: none"> <li>• Sudhir Singh, Chief Executive Officer &amp; Executive Director</li> <li>• Vic Gupta, Chief Sustainability Officer</li> <li>• Ajay Kalra, Chief Financial Officer</li> <li>• Ruchi Kulhari, Chief People Officer</li> <li>• Pankaj Khanna, Chief Revenue Assurance Officer</li> </ul>   |

## 10. Details of Review of NGRBCs by the Company:

|  | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee         |     |     |     |     |     |     |     |     | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |     |     |     |     |     |     |     |     |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
|  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against Above policies and follow up action  | C  | C   | C   | C   | C   | C   | C   | C   | C   | A  | A   | A   | A   | A   | A   | A   | A   | A   |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Statutory Compliance Certificate on applicable laws is provided by the the CEO to the board of directors |     |     |     |     |     |     |     |     |  |     |     |     |     |     |     |     |     |

|    |   | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 11 | Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | No  | No  | No  | No  | No  | No  | No  | No  | No  |



12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions   | P<br>1         | P<br>2 | P<br>3 | P<br>4 | P<br>5 | P<br>6 | P<br>7 | P<br>8 | P<br>9 |
|---|----------------|--------|--------|--------|--------|--------|--------|--------|--------|
| The entity does not consider the Principles material to its business (Yes/No)   | Not Applicable |        |        |        |        |        |        |        |        |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |                |        |        |        |        |        |        |        |        |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |                |        |        |        |        |        |        |        |        |
| It is planned to be done in the next financial year (Yes/No)  |                |        |        |        |        |        |        |        |        |
| Any other reason (please specify)   |                |        |        |        |        |        |        |        |        |

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment                           | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact  | %age of persons in respective category covered by awareness programmes |
|-----------------------------------|--|--|--|
| Board of Directors                | Quarterly  | All Regulatory Updates are on an ongoing basis Policy Changes as and when required   | 100%   |
| Key Managerial Personnel          | 3  | <ol style="list-style-type: none"> <li>1. Creating a safe work environment (POSH)</li> <li>2. Environment, Health, &amp; Safety (EHS)</li> <li>3. Code of conduct for prohibition of Insider Trading</li> </ol>  | POSH – 100%<br>EHS – 100%<br>Insider Trading – 100%                    |
| Employees other than BoD and KMPs | 3  | <ol style="list-style-type: none"> <li>1. Creating a safe work environment (POSH)</li> <li>2. Environment, Health, &amp; Safety (EHS)</li> <li>3. Code of conduct for prohibition of Insider Trading</li> </ol>  | POSH – 90%<br>EHS – 90%<br>Insider Trading – 60%                       |
| Workers                           | 14   | <ol style="list-style-type: none"> <li>1. MATERIAL MANAGEMENT</li> <li>2. Creating a safe work environment (POSH)</li> <li>3. Environment, Health, &amp; Safety (EHS)</li> <li>4. FIRE DRILL &amp; BUILDING EVACUATION</li> <li>5. Medical Emergency &amp; First Aid trainings</li> <li>6. Security Briefings</li> <li>7. Work at Heights</li> <li>8. Spillage Management</li> <li>9. Work In confined area</li> <li>10. Electrical safety training</li> <li>11. Hazard Identification and Risk Assessment training</li> <li>12. Handling of chemical</li> <li>13. Waste management</li> <li>14. Use of personal protective equipment</li> </ol> | 100%   |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary        |                 |   |                 |                   |  |
|-----------------|-----------------|---|-----------------|-------------------|--|
|                 | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine   | NIL             | NIL   | NIL             | NIL               | NIL                                    |
| Settlement      | NIL             | NIL   | NIL             | NIL               | NIL                                    |
| Compounding Fee | NIL             | NIL   | NIL             | NIL               | NIL                                    |
| Non-Monetary    |                 |   |                 |                   |  |
| Imprisonment    | NIL             | NIL   | NIL             | NIL               | NIL                                    |
| Punishment      | NIL             | NIL   | NIL             | NIL               | NIL                                    |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/enforcement agencies/ judicial institutions |
|--------------|--|
| NIL          | NIL  |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Please see Code of Conduct which includes anti-corruption and anti-bribery policies at: <https://www.coforge.com/investors/code-of-conduct>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Nil. There have been no such cases.

6. Details of complaints with regard to conflict of interest:

Nil. There have been no such cases.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness held | Topics/principles covered under the training | %age of value chain programmes partners covered (by value of business done with such partners) under the awareness programmes |
|--------------------------------|--|---|
| NIL                            | NIL  | NIL   |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same. The Company has formulated Whistle Blower Policy, Code of Conduct and such policies to keep a check on conflicts of interest.

Yes. Please see Code of Conduct and the Whistle Blower policies at:

- Code of Conduct - <https://www.coforge.com/investors/code-of-conduct>
- Various Policies such as Whistle Blower, RPT, Board Diversity, etc. - <https://www.coforge.com/investors/policies>

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments will be made available in our Business Responsibility and Sustainability Report from FY24 onwards.

| Particulars                           | FY23 in Inr Lakh | FY22 in Inr Lakh |              |
|---------------------------------------|------------------|------------------|--------------|
| Total R&D Expense (As per financials) | 9697.6           | 6226.9           |              |
| Capitalised                           | 7145             | 1225             | Standalone   |
|                                       | 5410             | 816.6            | Consolidated |

Spend in CTO

| Particulars         | FY23 in Inr Lakh | FY22 in Inr Lakh |
|---------------------|------------------|------------------|
| CTO - Employee Cost | 6205.875         | 5543.915         |

Spend in HBU's – more on solutioning kind of spend

| Particulars  | FY23 in Inr Lakh | FY22 in Inr Lakh |
|--|------------------|------------------|
| HBU Cost (Sales and Indirect Cost of HBU's excl BPO, DPA, CDO and CTO) | 13156.455        | 9267.44          |

2. a. Does the entity have procedures in place for sustainable sourcing: (Yes/No) Yes  
b. If yes, what percentage of inputs were sourced sustainably: 17%
3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Given the nature of business, there is limited scope for reusing or recycling of products, however we have following practices for below mention waste categories.

- (a) Plastics (including packaging) - All our facilities are single use plastic free premises. vendor partners are engaged for collection of our Wet and Dry waste to Recycle/dispose in an eco-friendly manner.
  - (b) E-waste - Our E-waste broadly includes computers, servers, Batteries, etc. All such E-wastes are being disposed through authorized E-waste recyclers.
  - (c) Hazardous waste – Only hazardous waste generated from the office is DG set waste oil, same is being disposed through authorized recycler
  - (d) Other waste - There are no other kinds of waste generated in our office other than listed above.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. Not Applicable.

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The company is involved with the business of IT/ITES related product development including the service support for the related IT/ITES products. As the company is not involved in manufacturing/production process of any tangible product, Life cycle assessment for the product is not considered.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

The Company's scope of work is limited to Design, Development, Testing, Implementation and Maintenance of Software, System Integration Solutions & IT/ITES/Telecom Infra-Structure Management Services for all Offshore Development Centers. As no manufacturing process is involved, raw material (recycled and reused) is not being utilized.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| Stakeholder group from whom complaint is received | FY 2023<br>Current Financial Year   |          |                 | FY 2022<br>Previous Financial Year |          |                 |
|---|---|----------|-----------------|------------------------------------|----------|-----------------|
|   | Re-Used   | Recycled | Safely Disposed | Re-Used                            | Recycled | Safely Disposed |
| Plastics (including packaging)                    | The company's premises is Single use plastic free premises, no significant plastic waste generation is observed in the office premises except for plastic waste generated from the packaging material, in whatever small amount, are being reused for the same purpose or disposed through authorized recycler. |          |                 |                                    |          |                 |
| E-waste (Kg)                                      |   |          | 11,225 kg       |                                    |          | 36,642 kg       |
| Hazardous waste                                   |   |          | 2,498 Kg        |                                    |          | 1060 kg         |
| Other waste (Kg)                                  |   |          | 4,137 Kg        |                                    |          | 5,082 Kg        |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Coforge has rigorous policies and procedures for the well-being of our employees. Coforge is committed to providing a safe and healthy work environment for all employees. Employees wellness is governed by our policies listed at: <https://www.coforge.com/wellness-and-wellbeing>.

| % of employees covered by      |               |                  |               |                    |             |                    |             |                    |             |                     |            |
|--------------------------------|---------------|------------------|---------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|------------|
| Category                       | Total (A)     | Health insurance |               | Accident insurance |             | Maternity benefits |             | Paternity Benefits |             | Day Care facilities |            |
|                                |               | Number (B)       | % (B / A)     | Number (C)         | % (C / A)   | Number (D)         | % (D / A)   | Number (E)         | % (E / A)   | Number (F)          | % (F / A)  |
| Male                           | 9214          | 8075             | 88%           | 9214               | 100%        | N/A                | N/A         | 9214               | 100%        |                     |            |
| Female                         | 3026          | 2641             | 87%           | 3026               | 100%        | 3026               | 100%        | N/A                | N/A         |                     |            |
| <b>Total</b>                   | <b>12,240</b> | <b>10,716</b>    | <b>87.54%</b> | <b>12,240</b>      | <b>100%</b> | <b>3026</b>        | <b>100%</b> | <b>9214</b>        | <b>100%</b> |                     |            |
| Other than Permanent employees |               |                  |               |                    |             |                    |             |                    |             |                     |            |
| Male                           | N/A           | N/A              | N/A           | N/A                | N/A         | N/A                | N/A         | N/A                | N/A         | N/A                 | N/A        |
| Female                         | N/A           | N/A              | N/A           | N/A                | N/A         | N/A                | N/A         | N/A                | N/A         | N/A                 | N/A        |
| <b>Total</b>                   | <b>N/A</b>    | <b>N/A</b>       | <b>N/A</b>    | <b>N/A</b>         | <b>N/A</b>  | <b>N/A</b>         | <b>N/A</b>  | <b>N/A</b>         | <b>N/A</b>  | <b>N/A</b>          | <b>N/A</b> |



## b. Details of measures for the well-being of workers:

| Category                     | Total (A)  | % of workers covered by |             |                    |             |                    |                       |                    |           |                     |             |
|------------------------------|------------|-------------------------|-------------|--------------------|-------------|--------------------|-----------------------|--------------------|-----------|---------------------|-------------|
|                              |            | Health insurance        |             | Accident insurance |             | Maternity benefits |                       | Paternity Benefits |           | Day Care facilities |             |
|                              |            | Number (B)              | % (B / A)   | Number (C)         | % (C / A)   | Number (D)         | % (D / A)             | Number (E)         | % (E / A) | Number (F)          | % (F / A)   |
| Male                         | -          | -                       | -           | -                  | -           | -                  | -                     | -                  | -         | -                   | -           |
| Female                       | -          | -                       | -           | -                  | -           | -                  | -                     | -                  | -         | -                   | -           |
| <b>Total</b>                 | -          | -                       | -           | -                  | -           | -                  | -                     | -                  | -         | -                   | -           |
| Other than Permanent workers |            |                         |             |                    |             |                    |                       |                    |           |                     |             |
| Male                         | 535        | 535                     | 100%        | 535                | 100%        | NA                 | NA                    | NA                 | NA        | 535                 | 100%        |
| Female                       | 94         | 94                      | 100%        | 94                 | 100%        | 94                 | 100%<br>as per<br>ESI | NA                 | NA        | 94                  | 100%        |
| <b>Total</b>                 | <b>629</b> | <b>629</b>              | <b>100%</b> | <b>629</b>         | <b>100%</b> | <b>94</b>          | <b>100%</b>           | <b>NA</b>          | <b>NA</b> | <b>629</b>          | <b>100%</b> |

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits                | FY 2023<br>Current Financial Year                  |  |  | FY 2022<br>Previous Financial Year                 |  |  |
|-------------------------|--|--|--|--|--|--|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| Gratuity                | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| ESI                     | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| Others – please specify |  |  |  |  |  |  |

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

All our Corporate offices have wheelchairs and wheelchair friendly elevators which can be accessed from the parking lot, thus making access friendly to our differently abled employees and visitors

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- equal opportunity Employer (EEO) bit is covered in the DEI policy – policy attached for reference . “Ensure Coforge continues to be an equal employment opportunity regardless of caste, creed, color, religion, ethnicity, marital status, age, disability, national origin, citizenship, sexual orientation, gender identity, language, and any other aspects as applicable;” [https://www.coforge.com/hubfs/Diversity\\_Equity\\_Inclusion\\_Policy.pdf](https://www.coforge.com/hubfs/Diversity_Equity_Inclusion_Policy.pdf)

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

|              | Permanent Employees FY23 |                | Permanent Employees FY22 |                |
|--------------|--------------------------|----------------|--------------------------|----------------|
|              | Return to work rate      | Retention rate | Return to work rate      | Retention rate |
| Male         | 99.20                    | N/A            | 99.60                    | 76.35          |
| Female       | 97.2                     | N/A            | 98.03                    | 80.87          |
| <b>Total</b> | <b>98.4</b>              | <b>N/A</b>     | <b>98.91</b>             | <b>78.85</b>   |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

|                                | Yes/No (If yes, then give details of mechanism in brief) |
|--------------------------------|--|
| Permanent Workers              | NA   |
| Other than Permanent Workers   | As per Policy  |
| Permanent Employees            | As per Policy  |
| Other than Permanent Employees | As per Policy  |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

|                                  | FY 2023<br>Current Financial Year                    |  |           | FY 2022<br>Previous Financial Year                   |  |           |
|----------------------------------|--|--|-----------|--|--|-----------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (D / C) |
| <b>Total Permanent Employees</b> |  |  |           |  |  |           |
| - Male                           | NA   | NA   | NA        | NA   | NA   | NA        |
| - Female                         | NA   | NA   | NA        | NA   | NA   | NA        |
| <b>Total Permanent Workers</b>   |  |  |           |  |  |           |
| - Male                           | NA   | NA   | NA        | NA   | NA   | NA        |
| - Female                         | NA   | NA   | NA        | NA   | NA   | NA        |

8. Details of training given to employees and workers:

|                  | FY 2023<br>Current Financial Year |                               |              |                      |              | FY 2022<br>Previous Financial Year |                               |              |                      |              |
|------------------|-----------------------------------|-------------------------------|--------------|----------------------|--------------|------------------------------------|-------------------------------|--------------|----------------------|--------------|
|                  | Total (A)                         | On Health and safety measures |              | On Skill upgradation |              | Total (A)                          | On Health and safety measures |              | On Skill upgradation |              |
|                  |                                   | No. (B)                       | % (B / A)    | No. (C)              | % (C / A)    |                                    | No. (E)                       | % (E / D)    | No. (F)              | % (F / D)    |
| <b>Employees</b> |                                   |                               |              |                      |              |                                    |                               |              |                      |              |
| Male             | 10342                             | 7847                          | 75.88        | 8644                 | 83.58        | 5892                               | 4546                          | 77.16        | 5545                 | 94.11        |
| Female           | 3123                              | 2581                          | 82.64        | 2887                 | 92.44        | 2059                               | 1627                          | 79.29        | 1964                 | 95.71        |
| <b>Total</b>     | <b>13465</b>                      | <b>10428</b>                  | <b>77.45</b> | <b>11531</b>         | <b>85.64</b> | <b>7944</b>                        | <b>6173</b>                   | <b>77.71</b> | <b>7509</b>          | <b>94.52</b> |
| <b>Workers</b>   |                                   |                               |              |                      |              |                                    |                               |              |                      |              |
| Male             | 535                               | 535                           | 100%         | 535                  | 100%         | 519                                | 519                           | 100%         | 519                  | 100%         |
| Female           | 94                                | 94                            | 100%         | 94                   | 100%         | 88                                 | 88                            | 100%         | 88                   | 100%         |
| <b>Total</b>     | <b>629</b>                        | <b>629</b>                    | <b>100%</b>  | <b>629</b>           | <b>100%</b>  | <b>607</b>                         | <b>607</b>                    | <b>100%</b>  | <b>607</b>           | <b>100%</b>  |

9. Details of performance and career development reviews of employees and worker:

All eligible employees have received performance and career development reviews.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (**Yes/ No**). If yes, the coverage such system?

**YES**, The company is certified with Environment Health & Safety Management System (EHSMS) as per the agreement with ISO 14001:2015 and ISO 45001:2018 standards. The Coforge Limited locations across the India are covered under the said management system

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Coforge India locations are subjected to periodic internal and external surveillance audit procedure to check the effectiveness of the system. The work-related hazards are also identified, addressed and mitigated through defined risk management system.

All the offices are certified with Environment Health and Safety management system (EHSMS) approved with ISO 14001:2015 and ISO 45001:2018 standards. Risk assessment is being performed periodically/when required to mitigate any residual EHS related risk.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

**YES,**

Workers are provided trainings for the workplace hazard identification and awareness sessions regarding work related hazards communication is provided. The company has defined incident-reporting system through intranet portal, emails, & telecommunication to report work related hazards and provision of the mitigation measures. All our offices are having security helpdesk for round the clock emergency support along with that emergency contacts are circulated through mails and notices.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**  
**Yes**

Our employees have access to non-occupational medical and healthcare services. First aid kits are maintained and are available at all times on the premises.

Medical emergency numbers are prominently displayed in each office along with that stand by ambulance facility is available at our high concentration offices. For employee/workers who are feeling unwell, Occupational health centers are also present at all the office for immediate assistance.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | FY 2023 Current Financial Year | FY 2022 Previous Financial Year |
|---|-----------|--------------------------------|---------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.33 LTI/ Million Work Hour    | 0.13 LTI/ Million Work Hour     |
|   | Workers   |                                |                                 |
| Total recordable work-related injurie   | Employees | 7                              | 3                               |
|   | Workers   |                                |                                 |
| No. of fatalities   | Employees | Nil                            | Nil                             |
|   | Workers   | Nil                            | Nil                             |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | Nil                            | Nil                             |
|   | Workers   | Nil                            | Nil                             |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company has developed and implemented an Environment, Health and Safety Management System (EHSMS) to regulate the consumption of resources, provide a healthier and a safer working atmosphere to its employees and to improve the management of the company. The Environmental, health and Safety Management System conforms to the requirement of ISO 14001:2015 and ISO 45001:2018.

EHS Management System is built on the premise that all processes can be controlled using clearly defined processes through documented procedures, backed by regular reviews & audits and promoting company- wide culture of continual improvement. Measure taken for effective implementation of EHSMS are

- Provision of Adequate resources for EHS.
- Establishing communication with internal and external interested parties regarding the companies EHS requirement.
- Establishing EHS documentation and ensuring proper auditable control.
- Operational Control Procedure(s) to control & sustain significant environmental aspects and unacceptable OHS risks.
- Identification of potential emergency situations and its response.
- Monitoring and measurement of EHS performance indicators.
- Control of monitoring and measuring equipment.
- Identification, maintenance and disposal of EHS records.
- System for periodic auditing of the EHS Management System.
- System Management Review by the Top Management (MRM)
- Regular Air monitoring to assess the quality of air inside the office premises.
- Periodic fire/emergency drills to create awareness among the employees
- Display of emergency floor plans at office locations
- Trainings to create awareness for work related hazards
- Minimize the resource consumption to reduce our carbon foot prints
- Energy efficient equipment to reduce the power consumption
- Renewable energy generation to reduce power consumption
- Employees are made aware of emergency protocols & assembly points for emergencies
- Emergency Contact details such as Police, Hospitals and Fire Brigade are also displayed on the display board
- Hazard communication through signages/notices

13. Number of Complaints on the following made by employees and workers:

|                    | FY 2023 Current Financial Year |                                       |         | FY 2022 Previous Financial Year |                                       |         |
|--------------------|--------------------------------|---------------------------------------|---------|---------------------------------|---------------------------------------|---------|
|                    | Filed during the year          | Pending resolution at the end of year | Remarks | Filed during the year           | Pending resolution at the end of year | Remarks |
| Working Conditions | NIL                            | NIL                                   | NIL     | NIL                             | NIL                                   | NIL     |
| Health & Safety    | NIL                            | NIL                                   | NIL     | NIL                             | NIL                                   | NIL     |

14. Assessments for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. No such Incidents reported.

#### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The employees working for the organization are duly covered under life insurance while the Non- permanent workers are covered under the ESIC act/Insurance as per the act's guidelines.



2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company is compliant with deduction of statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc. as applicable from time to time. Value chain partners (vendors) are equally responsible to comply as per the contract with the Company. The Company has statutory and internal audit policies and procedures to ensure the above. The value chain partner are bound by the agreement terms to ensure all the statutory compliances.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

|           | Total no. of affected employees/ workers |                                 | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |                                 |
|-----------|--|---------------------------------|---|---------------------------------|
|           | FY 2023 (Current Financial Year)         | FY2022(Previous Financial Year) | FY 2023 (Current Financial Year)  | FY2022(Previous Financial Year) |
| Employees | NIL                                      | NIL                             | NIL   | NIL                             |
| Workers   | NIL                                      | NIL                             | NIL   | NIL                             |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No). Yes

The Company during the course of employment provides opportunities for all employees to upskill themselves through domain, skills and leadership trainings.

5. Details on assessment of value chain partners:

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | Procurement to provide inputs and HR/ admin to collaborate                                  |
| Working Conditions          | Working conditions assessment for employees and workers is being done.                      |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No such significant risk / concerns reported. The value chain partners who work in our offices have access to the same health and safety resources as the employees and any major risk to their health and safety is managed appropriately within specified timeline.

#### **PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

##### **Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

As part of an internal committee effort, we conducted a stakeholder analysis to identify all potential stakeholders for Coforge. We then prioritized stakeholders based on their level of influence and interest, along with Coforge's goals and objectives. A matrix was developed to identify the potential impact of each stakeholder group and how they can affect positively the operations. A parallel path was taken to analyze and validate the industry trends and best practices to identify common stakeholder groups from our peer group. A short consulting arrangement was also made with external consultants to validate the key stakeholder groups.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group     | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others) | Frequency of engagements(Annually/ Halfyearly/Quarterly/ others-Please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-----------------------|--|--|---|---|
| Board of Directors    | No   | (Email, Notice, Meetings)  | Quarterly   | Policy changes  |
| Key Committee Members | No   | (Email, Meetings)  | Monthly   | (Policy changes, Personnel changes, Information gathering, etc.)                                |
| Employees             | No   | (Email)  | Weekly  | Learning and Development, Training Curriculum and Education                                     |

#### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

#### PRINCIPLE 5 Businesses should respect and promote human rights

##### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

|                        | FY 2023 Current Financial Year |  |           | FY 2022 Previous Financial Year |  |           |
|------------------------|--------------------------------|--|-----------|---------------------------------|--|-----------|
|                        | Total (A)                      | No. employees workers covered (B) of / | % (B / A) | Total (C)                       | No. employees workers covered (D) of / | % (D / C) |
| <b>Employees</b>       |                                |  |           |                                 |  |           |
| Permanent              | 12240                          | 10158                                  | 83%       | 7,294                           | 6379                                   | 87%       |
| Other than permanent   | 1225                           | 255                                    | 21%       | 650                             | 336                                    | 52%       |
| <b>Total Employees</b> | 13465                          | 10413                                  | 77%       | 7,944                           | 6,715                                  | 84%       |
| <b>Workers</b>         |                                |  |           |                                 |  |           |
| Permanent              | NA                             | NA                                     | NA        | NA                              | NA                                     | NA        |
| Other than permanent   | 629 (Admin Support Staff)      | 629                                    | 100%      | 607                             | 607                                    | 100%      |
| <b>Total Workers</b>   | 629                            | 629                                    | 100%      | 607                             | 607                                    | 100%      |

2. Details of minimum wages paid to employees and workers, in the following format:

All the minimum wage and employee details in this table are captured on a consolidated basis.

|                             | FY 2023<br>Current Financial Year |  |              |                           |              | FY 2022<br>Previous Financial Year |   |              |                           |              |
|-----------------------------|-----------------------------------|--|--------------|---------------------------|--------------|------------------------------------|---|--------------|---------------------------|--------------|
|                             | Total<br>(A)                      | On Health<br>Equal<br>Minimum Wage<br>to |              | More than<br>Minimum Wage |              | Total<br>(D)                       | On Health<br>Equal<br>Minimum<br>Wage<br>to |              | More than<br>Minimum Wage |              |
|                             |                                   | No.<br>(B)                               | % (B<br>/ A) | No.<br>(C)                | % (C /<br>A) |                                    | No.<br>(E)                                  | % (E<br>/ D) | No.<br>(F)                | % (F /<br>D) |
| <b>Employees</b>            |                                   |  |              |                           |              |                                    |   |              |                           |              |
| <b>Permanent</b>            | 21,569                            |  |              |                           | 100%         | 21,077                             |   |              |                           | 100%         |
| Male                        | 15,436                            |  |              |                           | 100%         | 15,021                             |   |              |                           | 100%         |
| Female                      | 6,133                             |  |              |                           | 100%         | 6,056                              |   |              |                           | 100%         |
| <b>Other Permanent</b>      | 1,655                             |  |              |                           | 100%         | 1,423                              |   |              |                           | 100%         |
| Male                        | 1,487                             |  |              |                           | 100%         | 1,178                              |   |              |                           | 100%         |
| Female                      | 168                               |  |              |                           | 100%         | 245                                |   |              |                           | 100%         |
| <b>Workers</b>              |                                   |  |              |                           |              |                                    |   |              |                           |              |
| <b>Permanent</b>            |                                   |  |              |                           |              |                                    |   |              |                           |              |
| Male                        | NA                                |  |              |                           |              |                                    |   |              |                           |              |
| Female                      | NA                                |  |              |                           |              |                                    |   |              |                           |              |
| <b>Other than Permanent</b> |                                   |  |              |                           |              |                                    |   |              |                           |              |
| Male                        | 535                               | 443                                      | 83%          | 92                        | 17%          | 519                                | 429   | 83%          | 90                        | 17%          |
| Female                      | 94                                | 83                                       | 88%          | 11                        | 12%          | 88                                 | 78  | 89%          | 10                        | 11%          |

3. Details of remuneration/salary/wages, in the following format:

|                                  | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/<br>salary/ wages of<br>respective category | Number | Median remuneration/<br>salary/ wages of<br>respective category |
| Board of Directors (BoD)         |        |   |        |   |
| Key Managerial Personnel         |        |   |        |   |
| Employees other than BoD and KMP |        |   |        |   |
| Workers                          |        |   |        |   |

Please see our Annual Report Annexures for further details

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Coforge is committed to providing a safe and healthy work environment for all employees. Employees wellness is governed by our policies listed at: <https://www.coforge.com/wellness-and-wellbeing>.

6. Number of Complaints on the following made by employees and workers:

|                                   | FY 2023 Current Financial Year |                                       |  | FY 2022 Previous Financial Year |                                       |         |
|-----------------------------------|--------------------------------|---------------------------------------|--|---------------------------------|---------------------------------------|---------|
|                                   | Filed during the year          | Pending resolution at the end of year | Remarks                                  | Filed during the year           | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | 2                              | 0                                     | None of the complaints were POSH related | Nil                             | Nil                                   | Nil     |
| Discrimination at workplace       | Nil                            | Nil                                   | Nil                                      | Nil                             | Nil                                   | Nil     |
| Child Labour                      | Nil                            | Nil                                   | Nil                                      | Nil                             | Nil                                   | Nil     |
| Forced Labour/Involuntary Labour  | Nil                            | Nil                                   | Nil                                      | Nil                             | Nil                                   | Nil     |
| Wages                             | Nil                            | Nil                                   | Nil                                      | Nil                             | Nil                                   | Nil     |
| Other human rights related issues | Nil                            | Nil                                   | Nil                                      | Nil                             | Nil                                   | Nil     |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) No

9. Assessments for the year:

|   |
|---|
| % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
| Child labour – 100%   |
| Forced/involuntary labour – 100%  |
| Sexual harassment – 100%  |
| Discrimination at workplace – 100%  |
| Wages – 100%  |
| Others – please specify   |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

Not Applicable

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

None.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Randomly conducted by external parties.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Yes

4. Details on assessment of value chain partners:

The value chain partners will be documented and reported in FY24.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.**
**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

**All the environment variables and metrics are captured on a consolidated basis.**

| Parameter   | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| Total electricity consumption (A)   | 44,088 Giga joules                  | 38,346 Giga joules                   |
| Total fuel consumption (B)  | 2,900 Giga Joules                   | 10320 Giga Joules                    |
| Energy consumption through other sources (C)  | 600 Giga Joules                     | 598 Giga Joules                      |
| Total energy consumption (A+B+C)  | 47,588 Giga Joules                  | 49,264 Giga Joules                   |
| Energy intensity per rupee of turnover<br>(Total energy consumption/turnover in rupees) | 1.12                                | 1.49                                 |
| Energy intensity (optional) – the relevant metric may be selected by the entity         | -                                   | -                                    |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

**All the environment variables and metrics are captured on a consolidated basis.**

| Parameter   | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                               |                                     |                                      |
| (i) Surface water   | NA                                  | NA                                   |
| (ii) Groundwater  | 95,243                              | 54,688                               |
| (iii) Third party water   | 14,978                              | 15,794                               |
| (iv) Seawater / desalinated water   | NA                                  | NA                                   |
| (v) Others  | 1324                                | 225                                  |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b> | 1,11,545                            | 70,707                               |
| <b>Total volume of water consumption (in kilolitres)</b>                        | 1,11,545                            | 70,707                               |
| <b>Water intensity per rupee of turnover (Water consumed / turnover)</b>        | 2.637 kl / INR cr                   | 2.134 kl / INR cr                    |
| Water intensity (optional) – the relevant metric may be selected by the entity  | NA                                  | NA                                   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Being the institutional offices, Coforge offices in India in India are utilizing the Water consumption for drinking and washing purposes only. The offices are equipped various water conservation measures such as sensor based water dispensing systems, waterless urinals and utilization of treated water for flushing and gardening purposes.

Most of the offices are equipped with sewage water treatment units for onsite treatment of the wastewater; the same is being utilized for the secondary uses such as gardening or flushing purposes.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:



| Parameter                           | Please specify unit | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|-------------------------------------|---------------------|-------------------------------------|--------------------------------------|
| NOx                                 | NA                  | NA                                  | NA                                   |
| SOx                                 | NA                  | NA                                  | NA                                   |
| Particulate matter (PM)             | NA                  | NA                                  | NA                                   |
| Persistent organic pollutants (POP) | NA                  | NA                                  | NA                                   |
| Volatile organic compounds (VOC)    | NA                  | NA                                  | NA                                   |
| Hazardous air pollutants (HAP)      | NA                  | NA                                  | NA                                   |
| Others – please specify             | NA                  | NA                                  | NA                                   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

Coforge being an IT/ ITES service provider is utilizing its office premises for the institutional purposes only, and is not associated with any kind of production, Manufacturing, processing and distribution of the products. Emission such as Hazardous obnoxious gaseous material, Volatile organic compounds or particulate matters are not anticipated from the office units.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

**All the environment variables and metrics are captured on a consolidated basis.**

| Parameter  | Unit  | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|--|---|-------------------------------------|--------------------------------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | <i>Metric tonnes of CO<sub>2</sub> equivalent</i> | 543                                 | 677                                  |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | <i>Metric tonnes of CO<sub>2</sub> equivalent</i> | 9483                                | 8696                                 |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>   | NA  | 0.2 Metric tonnes / INR cr          | 0.3 Metric tonnes / INR cr           |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity   | NA  | NA                                  | NA                                   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. (No)

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The company is involved in development of IT/ ITES related products. Currently no running projects are associated with emission of GHG.

8. Provide details related to waste management by the entity, in the following format:

All the environment variables and metrics are captured on a consolidated basis.

| Parameter   | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| Plastic waste (A)   | 3.7 Tons                            | 1.09 Tons                            |
| E-waste (B)   | 6.25 Tons                           | 36.0 Tons                            |
| Bio-medical waste (C)   | -                                   | -                                    |
| Construction and demolition waste (D)   | -                                   | -                                    |
| Battery waste (E)   | 2.0                                 | -                                    |
| Radioactive waste (F)   | -                                   | -                                    |
| Other Hazardous waste. Please specify, if any. (G)  | 1.9 Tons ( DG Set Waste Oil)        | 0.80 Tons ( DG Set Waste Oil)        |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | NA                                  | NA                                   |
| <b>Total (A+B + C + D + E + F + G + H)</b>  | 13.85 Tons                          | 38 Tons                              |

| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) |  |   |
|---|--|---|
| Category of waste   |  |   |
| (i) Recycled  | 10.15 Tons<br>(Through authorized recyclers) | 36.8 Tons<br>(Through authorized recyclers) |
| (ii) Re-used  | -  | -   |
| (iii) Other recovery operations   | -  | -   |
| <b>Total</b>  | 10.15 Tons<br>(Through authorized recyclers) | 36.8 Tons<br>(Through authorized recyclers) |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)                              |  |   |
| Category of waste   |  |   |
| (i) Incineration  | NA   | NA  |
| (ii) Landfilling  | NA   | NA  |
| (iii) Other disposal operations   | NA   | NA  |
| <b>Total</b>  | -  | -   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste management is a crucial aspect of our ESG plan. Our interests start with reducing the amount of waste we generate and thus firstly minimize the need for disposal. Reusing items, such as glass jars or shopping bags, also limits, and reduces our waste. Recycling materials such as plastics, glass, and paper are also an integral part of our conservation plans prior to ending in landfills.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Coforge Offices are not in proximity of ecologically sensitive area as mentioned above. All the premises/facilities are selected strategically in commercially approved locations including IT/ITES parks and captive SEZ throughout India. Necessary Environmental clearance have been obtained from the Expert Appraisal Committee (EAC), Ministry of Environment Forest & Climate Change (MOEF&CC) prior to construction of Coforge Greater Noida Campus. Additionally, environment NOCs have been taken for all the office locations where applicable under and regular compliance of the same is ensured.

| S. No. | Location of operations/offices | Type operations of | Whether the conditions of environmental approval / clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|--|
|        | NIL                            | -                  | -  |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No Environment Impact Assessment project or Environmental Clearance projects undertaken by the organization because of no major construction/renovation has been undertaken so far.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: YES,

100% compliant status has been achieved under the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act & other regulatory and statutory compliance condition.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|---|---------------------------------|
|        | NIL   | NIL                                   | NIL   | NIL                             |
|        | NIL   | NIL                                   | NIL   | NIL                             |

### Leadership Indicators

- Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

**All the environment variables and metrics are captured on a consolidated basis.**

| Parameter   | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| From renewable sources                                      |                                     |                                      |
| Total electricity consumption (A)                           | 600 Giga Joules                     | 598 Giga Joules                      |
| Total fuel consumption (B)                                  | Nil                                 | Nil                                  |
| Energy consumption through other sources (C)                | Nil                                 | Nil                                  |
| <b>Total energy consumed from renewable sources (A+B+C)</b> | 600 Giga Joules                     | 598 Giga Joules                      |
| <b>From non-renewable sources</b>                           |                                     |                                      |
| Total electricity consumption (D)                           | 44,088 Giga joules                  | 38,346 Giga joules                   |
| Total fuel consumption (E)                                  | 2,900 Giga Joules                   | 10,320 Giga Joules                   |
| Energy consumption through other sources (F)                |                                     |                                      |
| Total energy consumed from non-renewable sources (D+E+F)    | 46,988 Giga Joule                   | 48,666 Giga Joules                   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. (No)

- Provide the following details related to water discharged:

Coforge is associated with the IT/ITES product development and other related services. As the company is not involved in production or manufacturing of any tangible product, the water requirement is only limited to anthropogenic activities only. Most of the wastewater generated from the offices is being treated in the on-site STP units and utilized for the low end uses or horticulture. Remaining, small amount of secondary treated water is being discharged in the municipal sewers.

| Parameter  | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|--|-------------------------------------|--------------------------------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                                     |                                      |
| (i) To Surface water   | NA                                  | NA                                   |
| - No treatment   | NA                                  | NA                                   |
| - With treatment – please specify level of treatment                         | NA                                  | NA                                   |
| (ii) To Groundwater  | NA                                  | NA                                   |
| - No treatment   | NA                                  | NA                                   |
| - With treatment – please specify level of treatment                         | NA                                  | NA                                   |
| (iii) To Seawater  | NA                                  | NA                                   |
| - No treatment   | NA                                  | NA                                   |
| - With treatment – please specify level of treatment                         | NA                                  | NA                                   |
| (iv) Sent to third-parties   | NA                                  | NA                                   |
| - No treatment   | NA                                  | NA                                   |

|   |  |    |    |
|---|--|----|----|
| -   | With treatment – please specify level of treatment | NA | NA |
| (v)   | Others   | NA | NA |
| -   | No treatment                                       | NA | NA |
| -   | With treatment – please specify level of treatment | NA | NA |
| <b>Total water discharged (in kilolitres)</b> |  | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

None of the company's offices are in the water stressed region or notified areas demarcated by CGWB. The company ensures to utilize the piped municipal supply to cater the daily water need. The wastewater generated from the offices are being treated in the onsite STPs and the treated water is being utilized for low end uses such as horticulture and toilet flushing. The remaining, small amount of water is being discharged to municipal sewers.

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area - Not Applicable

(ii) Nature of operations - Not Applicable

(iii) Water withdrawal, consumption, and discharge in the following format:

| Parameter   | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|---|-------------------------------------|--------------------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                                     |                                     |                                      |
| (i) Surface water   | NA                                  | NA                                   |
| (ii) Groundwater  | 95,243                              | 54,688                               |
| (iii) Third party water   | 14,978                              | 15,794                               |
| (iv) Seawater / desalinated water   |                                     |                                      |
| (v) Others  | 1324                                | 225                                  |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>       | 111,545                             | 70,707                               |
| <b>Total volume of water consumption (in kilolitres)</b>                              | 111,545                             | 70,707                               |
| <b>Water intensity per rupee of turnover (Water consumed / turnover)</b>              | 111,545                             | 70,707                               |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b> |                                     |                                      |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

All the environment variables and metrics are captured on a consolidated basis.

| Parameter  | Unit  | FY 2023<br>(Current Financial Year) | FY 2022<br>(Previous Financial Year) |
|--|---|-------------------------------------|--------------------------------------|
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | <i>Metric tonnes of CO<sub>2</sub> equivalent</i> | 23,54 tons                          | 950 tons                             |
| <b>Total Scope 3 emissions per rupee of turnover</b>   |   | 0.055 metric tonnes / INR cr        | 0.028 metric tonnes / INR cr         |
| <b>Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity</b>   |   | NA                                  | NA                                   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. (N)

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The company offices are in populated locations in various cities across India. No ecologically sensitive/ reserve forest/ bird sanctuary is located in the vicinity of the Offices. The office operation is limited to IT/ITES related services, which does not include any manufacturing / production process that generates any flue gases or discharge, which is a threat to the environment and biodiversity.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

| Sr. No | Initiative undertaken   | Details of the initiative (Web-link, if any, may be provided along-with summary)   | Outcome of the initiative  |
|--------|---|--|--|
| 1.     | Replacement of old LED light                                    | More than 500 LED lights and T-5 have been replace in the Greater Noida with new energy saving light fixtures  | Energy conservation  |
| 2.     | Replacement of MERV-14 air Filters in AHU                       | MERV-14 filters, compliant with ASHRE standards have been introduced in all the AHU's at Greater Noida office location to minimize PM10 and PM2.5 inside the buildings.                                  | Indoor air quality improvement   |
| 3.     | LEED platinum (O&M) Recertification of the greater Noida office | Recertification of Greater Noida campus with LEED platinum for O&M.  | Recognition for good EHS practices   |
| 4.     | Replacement of UPS in Gurugram office                           | Replacement of old UPS with new UPS units for the Gurugram location.   | Energy conservation  |
| 5.     | Energy audit  | Energy audit has been carried out by a third party agency for Greater Noida and Gurugram office location   | Auditing of the existing energy saving practices and identification of improvement points. |
| 6.     | Plantation of Saplings  | As a gesture of commitment toward environment, Coforge organizes plantation drives during the client visits. The saplings are being planted in the office campus or some externally identified location. | Green area development.  |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The company has developed and established Business Continuity Plan (BCP) keeping in view the material topics essential for running the businesses. The BCP plan also discusses about a wide range of scenarios affecting the business which includes but is not limited to natural disasters, terrorist threats, power failure etc. The plan also discusses about the severity, risk rating, maximum acceptable outage (MAO) and alternate BCP location for continuation of business.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There is no significant adverse impact arising from Value chain partners. All such mitigation measures are addressed through EMS standards as per ISO 14001 which are reviewed periodically through audits.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

All admin related value chain partners are 100% assessed. To be discussed further for other value chain partners

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.5
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to. NASSCOM University of Pennsylvania (Mack Institute of Innovation)



| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|--------|---|--|
| 1      | NASSCOM   | Associations – National  |
| 2      | University of Pennsylvania                            | Academia – National  |
| 3      | Amity University                                      | Academia – National  |
| 4      | Chandigarh University                                 | Academia – National  |
| 5      | Manav Rachna  | Academia – National  |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

There are no material corrective action nor any material issues related to anti-competitive conduct by the entity.

#### Leadership Indicators

1. Details of public policy positions advocated by the entity:

Coforge is committed to engaging the policy makers, government including central, regional, and local, along with community to achieve our goals and objectives. In the markets we operate in, we ensure key partnerships are developed and managed with appropriate officials, organizations, associations, academia to create value for our shareholders, our partners, and employees. For more details, please refer to our Annual Report.

#### PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

##### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project   | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|----------------------|----------------------|---|--|-------------------|
| Educational promotion through Community Library   | 1                    | NA                   | Yes   | No   | Underway          |
| Industry Academia Partnership for skill development and environment conservation with Amity and Chandigarh Univ | 2                    | NA                   | Yes   | No   | Underway          |
| Educational assistance and Skill Development for underprivileged girls with Udayan care                         | 3                    | NA                   | Yes   | No   | Underway          |
| Education assistance and Skill Development for underprivileged children with Vidya n child                      | 4                    | NA                   | Yes   | No   | Underway          |
| Environment conservation through Solid liquid waste management with ILRT  | 5                    | NA                   | Yes   | No   | Underway          |
| Environment conservation -Water conservation, rejuvenation of ponds , renewable energy with Sehgal Foundation   | 6                    | NA                   | Yes   | No   | Underway          |
| Environment conservation through Sustainable tree planting & forestation, promoting renewable energy with SAFE  | 7                    | NA                   | Yes   | No   | Underway          |
| Helping Hand to special children with Ashagram  | 8                    | NA                   | Yes   | No   | Underway          |
| Education and Skill development and employability with CYDA and SPARSHA   | 10                   | NA                   | Yes   | No   | Underway          |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

As an organization, we are conscious about giving back to the community. We have devised our own mechanisms to give back to the community.

Rural Community:

Work closely with Gram Panchayats of the rural areas (where our projects are operational) and ensure:

- Regular connect and interactions with community.
- Stake holder engagement
- Awareness and communication
- Capacity building and skill development
- Proactive Interaction
- Reviewing and Investigating Grievances

Urban Community:

In line with the government's directives on Swachh Bharat & promoting awareness and reading habits, we have undertaken following initiatives to reach out to community and address grievances if any:

- Solid Liquid Waste management for 2 Wards at Noida: This would include awareness sessions on waste segregation, effective waste disposal and treatment, plastic recycling. We would be reaching out to communities and addressing grievances related to this.
- Setting up community Library: to share reading resources free of cost to the community, Coforge has set up this library in Noida. All members of community are free to use this and upgrade their knowledge base. This is especially useful for youth. Workshops conducted here are a forum to share and address grievances and issues

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

|  | <b>FY 2023<br/>Current Financial Year</b> | <b>FY 2022<br/>Previous Financial Year</b> |
|--|---|--|
| Directly sourced from MSMEs/ small producers                 | 24%                                       | 17%  |
| Sourced directly from within the State and neighboring State | 29%                                       | 17%  |

#### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| Nil  | Nil                     |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (In INR) |
|--------|-------|-----------------------|-----------------------|
| -      | Nil   | Nil                   | Nil                   |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No

(b) From which marginalized /vulnerable groups do you procure? Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

| S. No. | Intellectual Property based on traditional knowledge | Owned/Acquired (Yes/No) | Benefit Shared (Yes/No) | Basis of calculating benefit share |
|--------|--|-------------------------|-------------------------|------------------------------------|
|        | NA   | NA                      | NA                      | NA                                 |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

| Name of authority | Brief of the Case | Corrective Action Taken |
|-------------------|-------------------|-------------------------|
| Not Applicable    | NA                | NA                      |

6. Details of beneficiaries of CSR Projects:

Total Outreach- 160,197

| S. No. | CSR Project                                    | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1      | Educational Assistance and skill development   | 33234                                       | 100 %  |
| 2      | Entrepreneurship and Employability development | 14126                                       | 100 %  |
| 3      | Environment Conservation and Rural Livelihoods | 112837                                      | 100%   |

#### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

##### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Coforge is a B2B consulting and professional services organization and does not sell directly to consumers. We are committed to exceeding our clients' expectations. We have a robust framework and associated policies to track and respond to our client complaints and feedback in our interactions with clients. Our latest annual survey demonstrates the trust our clients have bestowed upon us. It outlines that a large set of our clients are extremely delighted and happy with the relationship and value we have delivered for them. These positive sentiments have translated into decades of relationship and consistent delivery of our services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: Not applicable
3. Number of consumer complaints in respect of the following: Not Applicable.

|                                | FY 2023 Current Financial Year |                                       | Remarks | FY 2022 Previous Financial Year |                                       | Remarks |
|--------------------------------|--------------------------------|---------------------------------------|---------|---------------------------------|---------------------------------------|---------|
|                                | Received during the year       | Pending resolution at the end of year |         | Received during the year        | Pending resolution at the end of year |         |
| Data privacy                   | NA                             | NA                                    |         | NA                              | NA                                    |         |
| Advertising                    | -                              | -                                     |         | -                               | -                                     |         |
| Cyber-security                 | -                              | -                                     |         | -                               | -                                     |         |
| Delivery of essential services | -                              | -                                     |         | -                               | -                                     |         |
| Restrictive Trade Practices    | -                              | -                                     |         | -                               | -                                     |         |
| Unfair Trade Practices         | -                              | -                                     |         | -                               | -                                     |         |
| Other                          | -                              | -                                     |         | -                               | -                                     |         |

4. Details of instances of product recalls on account of safety issues: Not Applicable
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Privacy Framework is published at company intranet and includes policies, processes & guidelines to be followed by employees. Privacy statement is published at <https://www.coforge.com/privacy-statement>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There are no customer complaints or any penalties by regulatory authorities related to Data Privacy.

#### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
Please see website at <https://www.coforge.com> for the information on all our services. We also have a Linked <https://www.linkedin.com/company/coforge-tech/> for latest announcements and associated news.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. Not Applicable.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Not Applicable
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No). Not Applicable
5. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along-with impact  
No Data Breach incidents have occurred
  - b. Percentage of data breaches involving personally identifiable information of customers  
No Data Breach incidents have occurred

## Report on Corporate Governance

As a global organisation, the Corporate Governance practices followed by Coforge Ltd (“the Company”) and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in letter and in spirit. The Company ensures that it evolves and follows the corporate governance guidelines and best practices. The Company is in compliance with the requirements of the Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time. The Company believes in adopting and adhering to globally recognized corporate governance practices and continuously benchmarking itself against such practices.

The Company’s approach on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

Your Company is committed to good Corporate Governance, based on an effective Independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors (“the Board”) and of senior management and their relationships with others in the corporate structure. The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct.

The Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the stock exchanges and the investors. Information is prepared and disclosed in accordance with the prescribed standards

of accounting, financial and non-financial disclosure and are disseminated in an equal, timely and cost-efficient access to relevant information by users. The standards of governance are guided by the following principles:

- Clear & ethical strategic direction and sound business decisions
- The effective exercising of ownership.
- Transparent and professional decision making.
- Excellence in corporate governance by abiding the guidelines and continuous assessment of Board processes and the management systems for constant improvisation.
- Greater attention is paid to the protection of minority shareholders rights.

Your Company protects and facilitates the exercise of shareholders’ rights, provides adequate and timely information, opportunity to participate effectively and vote (including remote e-voting) in general shareholder meetings and postal ballots, and ensure equitable treatment to all the shareholders. This enables the Company to build and sustain the trust and confidence of its stakeholders, as well as to strengthen the foundation for long-term business success and sustainability. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

### BOARD OF DIRECTORS

The Company is managed and controlled through a professional Board of Directors (“Board”) comprising of an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board of the Company is in conformity with the provisions of the Securities and Exchange Board of India SEBI Listing Regulations & the Companies Act, 2013. The present composition of the Board is Eight (8) members out of which three (3) members are Independent Directors, which constitute 37.5 percent of the total strength of the Board. The Chairman of the Board is Mr. Basab Pradhan, who is an Independent Chairman and Ms. Mary Beth Boucher, a Woman Director is acting as an Independent Director on the Board of the Company. The brief profile of all the Directors is available on the website of the Company [www.coforge.com](http://www.coforge.com).

During the year Ms. Mary Beth Boucher has been appointed as the Independent Director of the Company w.e.f. May 07, 2022. The composition of the Board as on March 31, 2023 is provided below:

#### Composition of the Board as on March 31, 2023

|                        |          |
|------------------------|----------|
| Independent Directors  | 3        |
| Non-Executive Director | 4        |
| Executive Director     | 1        |
| <b>Total</b>           | <b>8</b> |



The composition of Board along with the number of Directorship and Chairmanship/ Membership of committees held by them is given hereunder:

| Name of the Director & DIN              | Category                                     | No of Board Meetings during the Financial Year 2022-23 |          | Dates of meetings held during the year | Whether attended last AGM (August 24, 2022) | No of Directorship/ Chairperson in listed entities including this listed entity |             | No of Membership/ Chairperson in listed entities including this listed entity |             |
|---|--|--|----------|--|---|---|-------------|---|-------------|
|   |  | Held   | Attended |  |   | Member  | Chairperson | Member  | Chairperson |
| Mr. Basab Pradhan (00892181)            | Independent Director- Chairman               | 7  | 7        | May 12, 2022                           | Yes   | 1   | 1           | 2   | 0           |
| Mr. Sudhir Singh (07080613)             | Chief Executive Officer & Executive Director | 7  | 7        | June 13, 2022                          | Yes   | 1   | 0           | 0   | 0           |
| Mr. Hari Gopalakrishnan (03289463)      | Non-Executive Director                       | 7  | 7        | June 15, 2022                          | Yes   | 1   | 0           | 0   | 0           |
| Mr. Patrick John Cordes (02599675)      | Non-Executive Director                       | 7  | 4        | July 22, 2022                          | Yes   | 1   | 0           | 1   | 0           |
| Mr. Kenneth Tuck Kuen Cheong (08449253) | Non-Executive Director                       | 7  | 5        | October 20, 2022                       | Yes   | 1   | 0           | 0   | 0           |
| Mr. Kirti Ram Hariharan (01785506)      | Non-Executive Director                       | 7  | 6        | January 20, 2023                       | Yes   | 1   | 0           | 1   | 1           |
| Mr. Ashwani Puri (00160662)             | Independent Director                         | 7  | 7        | March 02, 2023                         | Yes   | 2   | 0           | 2   | 2           |
| Ms. Mary Beth Boucher (09595668)        | Independent Director                         | 7  | 6        |  | Yes   | 1   | 0           | 1   | 0           |

**Notes:**

- The above given information is excluding private, foreign and Companies incorporated under Section 8 of the Companies Act, 2013
- Board committees for this purpose includes Audit Committee and Stakeholders' Relationship Committee
- The Board also passed circular resolutions on May 04, 2022, May 07, 2022, June 15, 2022, July 20, 2022, October 25, 2022 & March 27, 2023
- Mr. Ashwani Kumar Puri is also a Director on the Board of Titan Company Limited, which is another listed entity other than the company.
- Ms. Mary Beth Boucher has been appointed as the new woman Independent director w.e.f. May 07, 2022.

All the Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations as amended from time to time read with Section 149(6) of the Companies Act, 2013. The maximum tenure of the Independent Directors is in compliance with the Act. Further, the Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the Directors.

The Board of Directors also review the Compliance Reports periodically pertaining to all laws applicable to the Company, during the year. Further, a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority is also issued in terms of SEBI Listing Regulations. In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, the Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

The skills and attributes of the Company can be broadly categorized as follows:

- Governance & Industry skills
- Personal attributes
- Diversity & Non Skill based attributes

## A. Governance &amp; Industry Skills

| S. No. | Skill Areas   | Description   |
|--------|---|---|
| 1      | Strategy and strategic planning                                 | Ability to think strategically and identify and critically assess strategic opportunities and threats.  |
| 2      | Information Technology Strategy                                 | Knowledge and experience in the related field of IT/ITes  |
| 3      | Risk and compliance oversight                                   | Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems   |
| 4      | Financial performance   | Qualifications and experience in accounting and/or finance  |
| 5.     | International operations  | Knowledge and experience of business operations outside India.  |
| 6      | Understanding of service offerings of the Company               | Understanding of various service offering like Data & Analytics, Digital Services, Cloud infrastructure management services, Digital Process Automation, Salesforce Ecosystem, Cyber Security Services, Business Process Solutions, Metaverse and Cognitive AI.   |
| 7.     | Understanding of Business Segments                              | Understanding of Insurance, Banking + Financial Services, Travel Transportation & Hospitality, Healthcare and Public Sector.  |
| 8      | Technology Innovation   | Understanding the current drivers of innovation in the information technology market and specifically in the software delivery and licensing and cloud computing sectors. Experience in delivering new product offerings in response to market demand, to achieve market leadership or to take advantage of opportunities |
| 9      | Understanding of Corporate Governance and Regulatory compliance | Ability to understand legal and regulatory compliance, and monitor risk and compliance management frameworks and systems  |

## B. Personal Attributes

1. Honesty, integrity and high ethical standards
2. Critical and innovative thinker
3. Leadership qualities
4. Understand issues at both the detailed and "big-picture" level.
5. Personal and interpersonal skills
6. Ability to positively influence people and situations;
7. Time availability for attending meetings
8. Involvement in decision making
9. Effective listener and communicator
10. Constructive questioner

## C. Diversity &amp; Non skill based attributes

1. Gender diversity
2. Geographic and cultural diversity
3. Age
4. Other Board/Industry experience

The Board also confirms that in the opinion of the board, the independent directors fulfil the conditions specified in Companies Act, 2013, SEBI Listing Regulations and all amendments thereto and are independent of the management, based on the declaration of Independence as submitted by the Independent Directors to the Company, including that they are

not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. The appointment of a person on the Board of the Company as a Director is dependent on whether the person possesses the requisite skill sets identified by the Board as above. Being an IT service provider, the Company's business runs across various diversified industry verticals, geographical markets and is global in nature. The current Directors on the Board have diverse backgrounds and possess special skills with regard to the industries/fields.

**Board meetings and Directors' attendance**

During the year April 01, 2022 to March 31, 2023, the Board met seven (7) times, on the dates as stated in the table above and passed six circular resolutions. The gap between two meetings did not exceed one hundred and twenty days. The information pertaining to the attendance of Directors in these meetings has been provided above. The information as mentioned under Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its consideration during the year. Board meetings are also convened to address the specific additional requirements of the Company and urgent matters are also approved by the Board by passing resolutions through circulation.

### Appointment Letters and Familiarization Program for Independent Directors

At the time of appointing a Independent Director (ID), a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a ID of the Company. The terms and conditions of the appointment are also placed on the website of the Company. Each newly appointed ID is taken through a familiarization program in terms of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, including the interaction with the CEO & the Senior Management of the Company covering all marketing, finance and other important aspects of the Company. The Company Secretary briefs the ID about their legal and regulatory responsibilities. The familiarization program also includes interactive sessions with Business and Functional Heads and visit to the Business Centres. The details of the familiarization program is available on the website of the Company [www.coforge.com](http://www.coforge.com)

### Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held without the attendance of Non-Independent Directors and members of the management.

### Code of Conduct

The Company has a well-defined policy, which lays down procedures to be followed by the employees for ethical professional conduct. The Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2022-23. This Code has been displayed on the Company's website.

### Board Committees

With a view to have a more focused attention on business and for better governance and accountability, the Board has the following mandatory committees:

- a. **Audit Committee**
- b. Stakeholders' Relationship Committee
- c. Nomination and Remuneration Committee
- d. Corporate Social Responsibility Committee
- e. Risk Management committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all members of the Committee individually and tabled at the Board Meetings.

### Audit Committee

The Company has an Audit Committee in accordance with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

| Name of the Committee member | Category             | Designation | Number of meetings during the Financial Year 2022-23 |          | Dates of meetings held during the year |
|------------------------------|----------------------|-------------|--|----------|--|
|                              |                      |             | Held   | Attended |  |
| Mr. Basab Pradhan            | Independent Director | Member      | 4  | 4        | May 09, 2022                           |
| Mr. Ashwani Kumar Puri       | Independent Director | Chairman    | 4  | 4        | July 21, 2022                          |
| Ms. Mary Beth Boucher        | Independent Director | Member      | 4  | 4        | October 20, 2022<br>January 19, 2023   |

All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The Chairperson of the Audit Committee is an Independent Director and the Company Secretary acts as Secretary to the Committee. The Audit Committee also invites the CEO, Chief Financial Officer, Internal Audit Head/representatives of Internal Audit firm\*, representatives of Statutory Auditors and such executives as it consider appropriate at its meetings.

The Committee also passed the Circular Resolutions on May 26, 2022, July 20, 2022 & March 26, 2023

The Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, and compliance with the Accounting Standards, Stock Exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls; reviewing findings of the Internal Audit, reviewing the Company's financial and risk management policies and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly annual accounts, reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision & to review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations and shall verify that the systems for internal control are adequate and are operating effectively. It acts as a link between Statutory and Internal Auditors and the Board of Directors of the Company. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The Committee reviews information

as specified in Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### Nomination and Remuneration Committee

The Company has a duly constituted Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The composition of the Nomination and Remuneration Committee and details of the Meetings and Attendance during the FY2022-23 are as under:

| Name of the Nomination & Remuneration Committee member | Category               | Designation | Number of meetings during the Financial Year 2022-23 |          | Dates of meetings held during the year |
|--|------------------------|-------------|--|----------|--|
|  |                        |             | Held   | Attended |  |
| Mr. Basab Pradhan                                      | Independent Director   | Member      | 3  | 3        | May 11, 2022                           |
| Ms. Mary Beth Boucher                                  | Independent Director   | Chairperson | 3  | 3        | October 20, 2022                       |
| Mr. Hari Gopalakrishnan                                | Non-Executive Director | Member      | 3  | 3        | March 09, 2023                         |

During the year, the Nomination and remuneration Committee passed the circular resolutions on May 14, 2022, July 24, 2022, September 20, 2022, December 02, 2022 and January 14, 2023.

The Chairperson of the Committee is an Independent Director. The terms of reference of Nomination and Remuneration Committee is in compliance with the Companies Act, 2013 & Part II of Schedule D of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which, inter alia deals with the manner of selection of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and their remuneration and to frame a policy to implement the same. The Committee is responsible for framing policies and systems for the Stock Options Plan, as approved by the shareholders. The role of the Committee also includes formulation of criteria for evaluation of every Director's performance, recommend to the Board, plans and process for succession for appointments to the Board and Senior Management, devising a policy on Board Diversity and to recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

The criteria for performance evaluation of Independent Directors covers all the relevant aspects as required under the Companies Act, 2013 and the SEBI Listing Regulations as amended from time to time.

### Details of Remuneration paid to Directors during the year April 1, 2022 to March 31, 2023

(in Rs.)

| Name of Director  | Mr. Sudhir Singh   |
|---|--------------------|
| Salary and Allowances   | 51,710,421         |
| <b>Part – A</b>   |                    |
| Perquisites   | Nil                |
| <b>Part – B</b>   |                    |
| Contribution to Provident Fund, Superannuation Fund or Annuity Fund | 13,876,710         |
| <b>Performance - linked Bonus</b>                                   | 160,716,150        |
| <b>Stock options</b>  | <b>113,178,063</b> |

Terms of appointment:

Service Contracts: The current term of Mr. Sudhir Singh as Executive Director shall expire on January 28, 2025.

Notice period: As determined by the Nomination and Remuneration Committee and the Board.

Severance Fees: No severance fees, unless otherwise agreed by the Board.

Performance criteria: As determined by the Nomination and Remuneration Committee and the Board.

### B. Non-Executive Directors

The criteria for payment to Non-Executive Directors is provided herein below:

The Commission to the Non-Executive Directors has also been approved by the Nomination & Remuneration Committee along with the Board within the prescribed limits as stipulated under Companies Act, 2013 as the shareholders had empowered the Board of Directors to decide the appropriate quantum of commission.

The details of remuneration (Commission and sitting fees) paid/payable to Non-Executive Directors is provided below:

| Particulars  | Mr. Hari Gopalakrishnan (Rs.) | Mr. Patrick John Cordes (Rs.) | Mr. Kirti Ram Hariharan *(Rs.) | Mr. Kenneth Tuck Kuen Cheong (Rs.) | Mr. Basab Pradhan (Rs.) | Mr. Ashwani Puri *(Rs.) | Ms. Mary Beth Boucher *(Rs.) |
|--------------|-------------------------------|-------------------------------|--------------------------------|------------------------------------|-------------------------|-------------------------|------------------------------|
| Commission   | -                             | -                             | -                              | -                                  | 18,173,166              | 5,625,000               | 6,195,398                    |
| Sitting Fees | -                             | -                             | -                              | -                                  | 320,000                 | 960,000                 | 1,000,085                    |

\* Chairman of Audit Committee.

\*\* Chairman of Stakeholders' Relationship Committee

\*\*\* Chairman of Nomination & Remuneration Committee

### Details of Equity shares held by Non-Executive Directors

The details of equity shareholding of Non-Executive Directors as on March 31, 2023 is as below:

| Name                         | Number of shares held |
|------------------------------|-----------------------|
| Mr. Patrick John Cordes      | NIL                   |
| Mr. Hari Gopalakrishnan      | NIL                   |
| Mr. Basab Pradhan            | 3,000                 |
| Ms. Mary Beth Boucher        | NIL                   |
| Mr. Ashwani Puri             | NIL                   |
| Mr. Kirti Ram Hariharan      | NIL                   |
| Mr. Kenneth Tuck Kuen Cheong | NIL                   |

The Company has not granted any shares under the ESOP Scheme 2005 to any Independent Director of the Company.

### Nomination & Remuneration Policy

#### PREAMBLE

In terms of Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, entered into by the Company with Stock Exchanges, as amended from time to time, the Board of Directors of a listed company shall constitute the Nomination and Remuneration Committee ("Committee") consisting of three or more Non-Executive Directors out of which not less than two-third shall be independent directors and the Chairperson of the Committee shall be an independent director as well. The Company has already constituted the Committee comprising three members, two of which are Independent Directors.

Further, the Committee is required to devise a policy to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees. This policy shall also act as a guideline for determining, inter- alia, qualifications, positive attributes and independence of a Director, matters relating to appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

#### a. OBJECTIVE

The policy is framed with following key objectives:

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting

short and long-term performance objectives appropriate to the working of the Company and achievement of its goals.

4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
5. To formulate the criteria for evaluation of Independent Directors and other Directors on the Board.
6. To devise a policy on diversity of the Board.
7. To determine whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors.
8. Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### b. MEETING AND QUORUM

The meeting of the Committee shall be atleast once in a year. A quorum of the Committee shall be two directors or one-third of the members of the Committee whichever is greater, including one independent director in attendance or as may be prescribed under the prevailing laws.

#### c. APPLICABILITY

This policy is applicable to:

1. Directors (Executive, Non-Executive and Independent)
2. Key Managerial Personnel (KMP)
3. Senior Management Personnel

#### d. DEFINITIONS

1. "**Act**" means the Companies Act 2013 as amended from time to time.
2. "**Board**" means the Board of Directors of the Company.
3. "**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
4. "**Company**" means Coforge Limited.
5. "**Employee Stock Option**" means the stock options given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for the shares of the company at a future date at a pre-determined price.
6. "**Executive Director**" means the Managing Director and Whole-time Directors of the Company.



7. **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
8. **“Key Managerial Personnel”** or “KMP” means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. As per Section 203 of the Companies Act, 2013, the following are whole time Key Managerial Personnel:
- Managing Director or Chief Executive Officer or the Manager and in their absence a Whole-time Director
  - Chief Financial Officer; and
  - Company Secretary
- Any other person as defined under the Act from time to time
9. **“Non-Executive Director”** means the director other than the Executive Director and Independent Director.
10. **“Senior Management Personnel”** for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all the members of management one level below the Chief Executive Officer/Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/Manager, in case they are not part of the Board), all Functional Heads and any other person/positions as defined under the Regulations from time to time Company Secretary & Chief Financial Officer.”
- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or SEBI (Listing Obligations & Disclosure) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.
- e. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP, SENIOR MANAGEMENT PERSONNEL**
- a. Appointment criteria and qualifications**
- Subject to the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, other applicable laws, if any, and the Company’s Policy, the Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment and to recommend to the Board, plans and process for succession for appointments to the Board and senior management.
  - The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
  - The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director /Manager who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
  - The Company shall not appoint or continue the directorship of any person as Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such person.
- b. Term/Tenure**
- Managing Director/Whole-time Director:**
- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
- c. Independent Director:**
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each. Such Independent Director after completion of these two terms shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director; provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
  - The appointment of Independent Directors shall be made as per the provisions of the Companies Act, 2013 and SEBI LODR Regulations, as amended from time to time.
  - At the time of appointment of Independent Director it should be ensured that the total number of Boards on which such an Independent Director serves is restricted to:
    - seven listed companies as an Independent Director
    - OR
    - three listed companies as an Independent Director in case such a person is serving as a Whole-time Director of any listed company.
  - For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the

Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

**d. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals; but at least once a year.

**e. Removal**

Due to reasons of disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing for removal of a Director, KMP and Senior Management Personnel subject to the provisions and compliance of the applicable laws, rules and regulations.

**f. Retirement**

The Directors shall retire as per the applicable provisions of the Companies Act, 2013. All other KMP and Personnel of Senior Management shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Directors and KMP in the same position/remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL**

**Remuneration to Managing Director/Whole-time Directors:**

1. The Remuneration/ Commission etc. to be paid to Managing Director/Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules made there under alongwith the SEBI (Listing Obligations & Disclosure Regulations), 2015 or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
2. The Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.
3. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if in variance with such provisions, then with the prior approval of the Central Government

**Remuneration to Non-Executive/Independent Directors:**

1. The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Regulations), 2015. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board of Directors.
2. All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under and the SEBI (Listing Obligations & Disclosure Regulations), 2015 or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board of Directors or shareholders as the case may be.
3. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. The Committee shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
4. Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional;
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**Remuneration to Key Managerial Personnel and Senior Management:**

1. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the Company's Policy.
2. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
3. The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
4. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

#### Other General Provisions:

- The CEO/CPO shall make Annual presentation of the performance and compensation for the other KMP and Senior Management Personnel. The proposed compensation policy for these executives for the forthcoming year will also be presented. The Committee shall discuss the details and give its inputs to help the CEO to finalise the policy for adoption by the Company.
- The CEO along with CPO shall constitute an HR Steering Committee for reviewing the remuneration of all other employees.
- Where any insurance is taken by the Company on behalf of its Whole-time Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### Amendments

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s) and circular(s) etc.

#### Policy on Board Diversity

The Nomination and Remuneration Committee has devised the policy on Board diversity to provide for having a broad experience and diversity on the Board.

#### Performance Evaluation

Pursuant to the provisions of the Section 134 and 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Corporate Social Responsibility Committee and Stakeholders' Grievance Committees. Pursuant to the provisions of the Section 134 and 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Board has carried out the annual performance

evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Statutory Committees. The evaluation was done based on one to one interactions which covered various aspects of the Board's functioning and its Committees. The Committee members noted that pursuant to Section 178 and other applicable provisions of the Companies Act, 2013, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Committee is required to carry out performance evaluation of every Director of the Company including Independent Directors.

The evaluation was done on the suggestive parameters and based on the criteria fixed by the board members. In this regard, a detailed note was placed before the Board on performance parameters for the said performance evaluation.

The Board considered the evaluation of the stakeholders based on one to one verbal interaction /discussions under an internal assessment process on the basis of criteria laid down for Performance evaluation in earlier years and recommended by Nomination & Remuneration Committee. During the above exercise, the directors who were subject to evaluation did not participate in the process.

During the above exercise, the directors who were subject to evaluation did not participate in the process.

The Board examined the parameters as circulated and carried out the performance evaluation as aforesaid and the Chairperson communicated the feedback accordingly. The Directors expressed their satisfaction to the evaluation process.

#### Stakeholders' Relationship Committee

In compliance with the provisions of the Companies Act, 2013 and the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has a duly constituted "Stakeholders' Relationship Committee". The Stakeholders' Relationship Committee looks into the redressal of complaints of investors.

The revised charter of the Committee is as follows:

- Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, issue of new/duplicate share certificates (delegated to Share Transfer Committee), non-receipt of annual report, non-receipt of declared dividends, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

The Committee has delegated work related to share transfer, issue of duplicate shares, Dematerialisation/ Rematerialisation of shares and other related work to Share Transfer Committee which reports to the Committee.

The Stakeholders' Relationship Committee is headed by a Non-Executive Director Mr. Kirtiram Hariharan and consists of Mr. Basab Pradhan and Mr. Patrick John Cordes as members. Ms. Barkha Sharma, Company Secretary is the Compliance Officer of the Company.

### Meetings & Attendance during the year

The particulars of the meeting attended by the members of the Stakeholders' Relationship Committee and the date of the meetings held during the year are given below:

| Name of the Stakeholders' Relationship Committee member | Category               | Designation | Number of meetings during the Financial Year 2022-23 |          | Dates of meetings held during the year |
|---|------------------------|-------------|--|----------|--|
|   |                        |             | Held   | Attended |  |
| Mr. Basab Pradhan                                       | Independent Director   | Member      | 1  | 1        | January 19, 2023                       |
| Mr. Kirti Ram Hariharan                                 | Non-Executive Director | Chairman    | 1  | 1        |  |
| Mr. Patrick John Cordes                                 | Non-Executive Director | Member      | 1  | 1        |  |

*During the year April 1, 2022 to March 31, 2023 the Company received a total of 379 queries/complaints from various Investors/Shareholders' relating to Change of address/Non- receipt of Dividend, Bonus Shares, Annual Report/Change of Bank account details/ / Dematerialization of shares, etc. The same were attended to the satisfaction of the Investors.*

Details of requests/queries/complaints received and resolved during the Financial Year 2022-23

| Nature of Query   | No. of Request/queries Received | No. of Complaints Received | Resolved | Unresolved |
|---|---------------------------------|----------------------------|----------|------------|
| Dividend- TDS related                                     | 53                              | -                          | 53       | -          |
| Request for Annual Report                                 | 60                              | -                          | 60       | -          |
| Request for Dividend payment                              | 128                             | -                          | 128      | -          |
| Request for issue of duplicate share certificate          | 28                              | -                          | 28       | -          |
| Request for share holding details                         | 13                              | -                          | 13       | -          |
| Request for transmission of shares                        | 8                               | -                          | 8        | -          |
| Request for updation of KYC documents                     | 28                              | -                          | 28       | -          |
| Request for procedure to claim shares transferred to IEPF | 41                              | -                          | 41       | -          |
| SEBI/Stock Exchange                                       | 1                               | 1                          | 2        | -          |
| Miscellaneous   | 19                              | -                          | 19       | -          |
| Total   | 379                             | 1                          | 380      | -          |

There was no request/query/complaint pending at the beginning of the Financial Year. During the Financial Year, the Company

attended most of the Shareholders'/ Investors' requests/queries/complaints within 10 working days from the date of receipt. The exceptions have been for cases constrained by procedural issue/disputes or legal impediments etc. There was no request/query/complaint pending at the end of the Financial Year.

### Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has a duly constituted "Corporate Social Responsibility Committee".

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- Identification of the initiatives and specification of the projects and programs those are to be undertaken and recommending the same to the Board.
- Identification of CSR projects/programs, which focuses on integrating business models with social and environmental priorities and processes in order to create shared value.
- Preparation of the list of CSR programs which a Company plans to undertake during the implementation year.
- Prepare modalities of execution of the project/programs undertaken and implementation of schedule thereof.
- Implementation and monitoring progress of these initiatives

The particulars of the meeting attended by the members of the CSR Committee and the date of the meetings held during the year are given below:

| Name of the Corporate Social Responsibilities Committee member | Category               | Designation | Number of meetings during the Financial Year 2022-23 |          | Dates of meetings held during the year |
|--|------------------------|-------------|--|----------|--|
|  |                        |             | Held   | Attended |  |
| Mr. Kirti Ram Hariharan  | Non-Executive Director | Chairman    | 1  | 1        | May 11, 2022                           |
| Mr. Kenneth Tuck Kuen cheong                                   | Non-Executive Director | Member      | 1  | 0        |  |
| Mr. Ashwani Kumar Puri   | Independent Director   | Member      | 1  | 0        |  |
| Mr. Hari Gopalakrishnan  | Non-Executive Director | Member      | 1  | 1        |  |

### RISK MANAGEMENT POLICY & COMMITTEE

The Company has developed and implemented a risk management framework for identification of elements of risk, which in the opinion of the Board may threaten the existence of the Company.



As per the requirement of revised Regulation 21 of SEBI (Listing Obligations & Disclosure Regulations, 2015 and amendments thereto, the Board considered and approved the constitution of Risk Management Committee of the Company under the provisions of the SEBI (Listing Obligations & Disclosure Regulations, 2015 with all amendments thereto:

Constitution of the Risk Management Committee ('RMC'):

Mr. Basab Pradhan (Chairman)

Mr. Hari Gopalakrishnan

Mr. Sudhir Singh

The Internal Audit Representative shall be an invitee to the Committee meetings & the Company Secretary of the Company shall act as Secretary of the Committee meetings.

#### Roles & Responsibility of the Committee

1. Formulate and oversee the implementation of Risk Management Policy of the Company
2. Manage the annual risk assessment process and formulation of risk mitigation procedures.
3. Monitor the internal & external risk including risk associated with cyber security and formulation/ oversee plan for mitigation of these risks.
4. Monitor the implementation of improvements in the Policy, including the planned actions arising from Audit Committee/ Board deliberations, if any.
5. Any other roles and responsibility as may be prescribed under applicable laws/regulations as amended from time to time.

The particulars of the meeting attended by the members of the Risk Management Committee and the date of the meetings held during the year are given below:

| Name of the Risk Management Committee member | Category                           | Designation | Number of meetings during the Financial Year 2022-23 |          | Dates of meetings held during the year |
|--|------------------------------------|-------------|--|----------|--|
|  |                                    |             | Held   | Attended |  |
| Mr. Basab Pradhan                            | Non-Executive Independent Director | Chairman    | 3  | 3        | May 11, 2022                           |
| Mr. Hari Gopalakrishnan                      | Non-Executive Director             | Member      | 3  | 3        | October 20, 2022                       |
| Mr. Sudhir Singh                             | CEO & Executive Director           | Member      | 3  | 3        | January 19, 2023                       |

#### OTHER COMMITTEES

The Board has following other Committees also:-

1. Operations Committee
2. ESOP Allotment Committee
3. Share Transfer Committee

#### GENERAL BODY MEETINGS

##### Particulars of the last three Annual General Meetings/ Postal Ballot

##### Annual General Meetings

| Year | Location   | Date            | Day       | Time       | Special Resolution  |
|------|--|-----------------|-----------|------------|---|
| 2022 | Video Conferencing, 8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji – New Delhi -110019 | August 24, 2022 | Wednesday | 09:00 AM   | 1. To approve the commission payable to Mr. Basab Pradhan (DIN: 00892181) as an Independent Director of the Company and as Chairperson of the Board   |
| 2021 | Video Conferencing, 8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji – New Delhi -110019 | July 30,        | Friday    | 09:00 AM   | 1. Re-appointment of Mr Basab Pradhan as independent director and chairperson of the board<br>2. To approve the profit related commission payable to Mr. Basab Pradhan (DIN: 00892181) as an independent director of the Company and as Chairperson of the Board<br>3. To consider and approve the raising of funds in one or more tranches, by issuance of depository receipts and/or equity shares and/or other eligible securities |
| 2020 | Video Conferencing, 8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji – New Delhi -110019 | July 23, 2020   | Thursday  | 05:00 P.M. | 1. To appoint Mr. Sudhir Singh (DIN: 07080613) as an Executive Director of the Company.<br>2. To approve the profit related commission payable to Mr. Basab Pradhan (DIN: 00892181) as an Independent Director of the Company and as Chairperson of the Board   |

There was no Extra-ordinary General meeting conducted during the year.

##### Postal Ballot

Particulars of Postal Ballot Passed during the year:

| S. No. | Year    | Date          | Day      | Special Resolutions  |
|--------|---------|---------------|----------|--|
| 1.     | 2022-23 | June 30, 2022 | Thursday | To approve the appointment of Ms. Mary Beth Boucher (DIN: 09595668) as an Independent Director of the Company. |

**Note:** The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act,



read with the Rules framed thereunder and read with MCA & SEBI Circulars and the results were duly intimated to the Stock Exchanges in prescribe time lines and uploaded on the website of the Company.

### Means of Communication

- a. The quarterly/half yearly/annual results are published in the leading English and Hindi Newspapers (the details of the publications are given hereunder) and also displayed on the web site of the Company – [www.coforge.com](http://www.coforge.com) where official news releases, financial results, consolidated financial highlights, quarterly shareholding pattern and presentations made to institutional investors or to the analysts are also displayed.
- b. The Company had Quarterly/Annual Earnings Calls on May 12, 2022, July 22, 2022, October 20, 2022, January 20, 2023 and Press Conferences in the months of May 2022, July 2022, October 2022 and January 2023 for the investors of the Company immediately after the declaration of Quarterly/Annual results. Transcripts/ presentations of the quarterly/ annual earnings calls/investors meet are displayed on the Company's aforementioned website, in the
- b) 'Investors' section.
  - a. The Management Perspective, Business Review and Financial Highlights are part of the Annual Report.
  - b. All material information about the Company is promptly uploaded on the website of the Stock Exchanges and also sent through e-mail to the stock exchanges where the shares of the Company are listed.

During the financial year 2022-23 the Company published its financial results in the following newspapers:

| Financial Results  | Newspapers  | Date of publication |
|--|---|---------------------|
| Audited financial results for the quarter ended March 31, 2022       | Business Standard - English<br>Business Standard- Hindi | May 12, 2022        |
| Unaudited financial results for the quarter ended June 30, 2022      | Business Standard - English<br>Business Standard- Hindi | July 22, 2022       |
| Unaudited financial results for the quarter ended September 30, 2022 | Business Standard - English<br>Business Standard- Hindi | October 20, 2022    |
| Unaudited financial results for the quarter ended December 31, 2022  | Business Standard - English<br>Business Standard- Hindi | January 20, 2023    |

### GENERAL SHAREHOLDERS' INFORMATION

#### a. Annual General Meeting

Date: 6 July, 2023

Time: 9 A.M. (IST)

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020

and January 13, 2021 and other relevant circulars and notifications from time to time as may be applicable, there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting are given in Annexure to Notice.

#### b. Financial Year

Year ending: March 31, 2023

#### c. Dividend

No final dividend has been recommended by the Board for the year under review. However, during the FY23, Board have approved the following interim dividend, details for which are as under:

- First Interim dividend of INR 13.00 per equity share declared on July 20, 2022
- Second Interim dividend of INR 13.00 per equity share declared on October 20, 2022
- Third Interim dividend of INR 19.00 per equity share declared on Jan 20, 2023
- Fourth Interim dividend of INR 19.00 per equity share declared on April 27, 2023

#### d. Listing of Shares

The Equity shares of the Company are currently listed at the following Stock exchanges:

##### i) BSE Limited ('BSE')

Address: 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

##### ii) National Stock Exchange of India Limited ('NSE')

Address: Exchange Plaza, 5th Floor, Plot no C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

It is confirmed that the Annual Listing fees for the period April 1, 2022 to March 31, 2023 has been paid to both the Stock Exchanges.

#### e. Stock Code

NSE : COFORGE BSE : 532541

ISIN (equity) at NSDL/CDSL : INE591G01017

ISIN (Non Convertible Debentures) at NSDL: INE591G08012

#### f. Stock Market Data:

The monthly high and low share prices and market capitalization of Equity Shares of the Company traded on BSE and NSE from April 1, 2022 to March 31, 2023 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

Share price movement during the year April 1, 2022 to March 31, 2023:

| Month  | BSE Ltd. |                  |                 |                     | National Stock Exchange |                  |                 |                     |
|--------|----------|------------------|-----------------|---------------------|-------------------------|------------------|-----------------|---------------------|
|        | Sensex   | High Price (Rs.) | Low Price (Rs.) | Market Cap* (Rs Mn) | Nifty                   | High Price (Rs.) | Low Price (Rs.) | Market Cap* (Rs Mn) |
| Apr-22 | 57,061   | 4,604.45         | 3,938.75        | 2,55,668            | 17103                   | 4,605.00         | 3,935.15        | 2,55,847            |
| May-22 | 55,566   | 4,212.00         | 3,352.80        | 2,38,123            | 16585                   | 4,216.90         | 3,353.00        | 2,38,294            |
| Jun-22 | 53,019   | 4,008.90         | 3,224.45        | 2,15,668            | 15780                   | 4,010.00         | 3,218.10        | 2,15,619            |
| Jul-22 | 57,570   | 3,965.90         | 3,331.50        | 2,40,853            | 17158                   | 3,964.95         | 3,331.75        | 2,40,975            |
| Aug-22 | 59,537   | 4,059.00         | 3,425.00        | 2,17,095            | 17759                   | 4,058.60         | 3,431.00        | 2,16,967            |
| Sep-22 | 57,427   | 3,662.30         | 3,210.00        | 2,04,912            | 17094                   | 3,659.50         | 3,210.05        | 2,04,961            |
| Oct-22 | 60,747   | 3,950.00         | 3,295.50        | 2,32,345            | 18012                   | 3,950.00         | 3,295.00        | 2,32,260            |
| Nov-22 | 63,100   | 4,070.00         | 3,639.90        | 2,46,039            | 18758                   | 4,068.20         | 3,640.00        | 2,46,177            |
| Dec-22 | 60,841   | 4,279.00         | 3,700.55        | 2,37,236            | 18105                   | 4,265.00         | 3,702.30        | 2,37,175            |
| Jan-23 | 59,550   | 4,459.10         | 3,789.80        | 2,67,249            | 17662                   | 4,460.00         | 3,790.50        | 2,67,423            |
| Feb-23 | 58,962   | 4,512.70         | 4,000.40        | 2,62,539            | 17304                   | 4,512.00         | 4,000.30        | 2,62,545            |
| Mar-23 | 58,992   | 4,363.80         | 3,565.20        | 2,33,188            | 17360                   | 4,365.20         | 3,564.75        | 2,32,992            |

\*Market Capitalization at closing price of the month

Source: BSE/NSE Website

| Performance of the Share Price of the Company in comparison to Indices: |                       |                       |                     |
|---|-----------------------|-----------------------|---------------------|
| Stock Price/Index   | As on 31st March 2023 | As on 31st March 2022 | % Increase/Decrease |
| Coforge Limited*  | 3,814.10              | 4,457.50              | -14.43              |
| Nifty 50  | 17360                 | 17465                 | -0.60               |
| S&P BSE Sensex  | 58992                 | 58569                 | 0.72                |
| Nifty IT  | 28699                 | 36317                 | -20.98              |

\*Share price of the Company taken at the close of business at NSE.

Source: BSE/NSE Website

#### g. During the year, no securities of the Company are suspended from trading

#### h. Registrar for Dematerialisation (Electronic Mode) of shares & Physical Transfer of shares

The Company has appointed a Registrar for dematerialisation and transfer of shares whose details are given below:-

Alankit Assignments Limited  
Unit: Coforge Limited  
Alankit Heights RTA Division,  
4E/2, Jhandewalan Extension, New Delhi – 110055  
Phone Nos. : 011-42541234, 23541234  
Fax Nos. : 011-42541201, E-mail : rta@alankit.com

#### i. Share Transfer System

The Company has appointed a common Registrar for physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered within stipulated period as stated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all amendments thereto. For this purpose, the Share Transfer Committee (a sub-committee of Stakeholders Relationship Committee of the Board) meets as often as required. During the review period, the Committee met 07 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Physical Shares requested for dematerialisation were confirmed mostly within a fortnight.

It has been mandated by SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022 that all listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LAD[1]NRO/GN/2022/66 dated January 24, 2022) while processing the following service request:

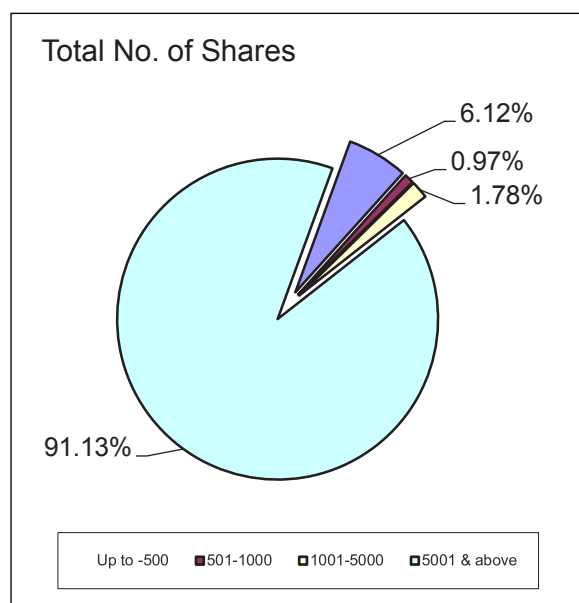
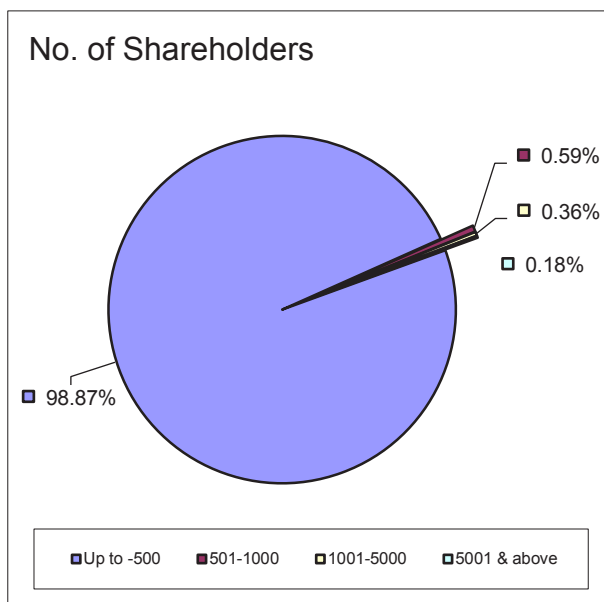
- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal / Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division / Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission;
- viii. Transposition;

The RTA /Company shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant.

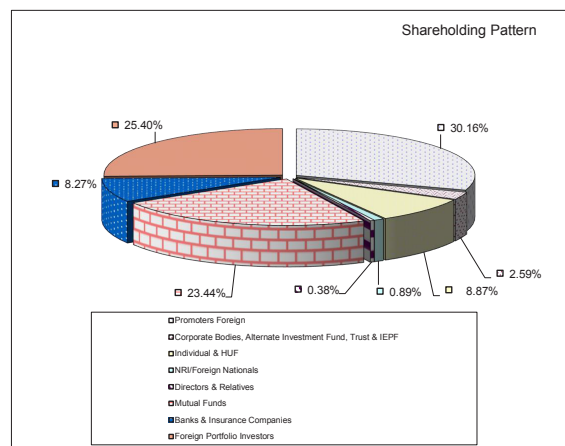
The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

#### j. Distribution of shareholding as on March 31, 2023

| Range (No. of Shares) | No. of Shareholders | % to Total Shareholders | Range (No. of Shares) | Total No. of Shares | % to Total Shares |
|-----------------------|---------------------|-------------------------|-----------------------|---------------------|-------------------|
| Up to -500            | 145039              | 98.87                   | Up to -500            | 37,39,725           | 6.12              |
| 501-1000              | 860                 | 0.59                    | 501-1000              | 5,91,670            | 0.97              |
| 1001-5000             | 521                 | 0.36                    | 1001-5000             | 10,84,363           | 1.78              |
| 5001 & above          | 265                 | 0.18                    | 5001 & above          | 5,56,71,322         | 91.13             |
| <b>TOTAL</b>          | <b>146685</b>       | <b>100.00</b>           | <b>TOTAL</b>          | <b>6,10,87,080</b>  | <b>100.00</b>     |



|   |                    |               |
|---|--------------------|---------------|
| NRI/Foreign Nationals                                     | 5,45,159           | 0.89          |
| Directors & Relatives                                     | 2,34,087           | 0.38          |
| Corporate Bodies, Alternate Investment Fund, Trust & IEPF | 15,80,493          | 2.59          |
| Individuals, HUF  | 54,21,035          | 8.87          |
| <b>Total Public Shareholding</b>                          | <b>4,26,65,820</b> | <b>69.84</b>  |
| <b>Grand Total</b>  | <b>6,10,87,080</b> | <b>100.00</b> |



#### k. Dematerialisation of Shares & Liquidity

The Shares of the Company are compulsorily traded in dematerialised form by all categories of investors. The Company has arrangements with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to establish electronic connectivity of the shares for scrip less trading. As on March 31, 2023, 99.80 % percent shares of the Company were held in dematerialised form.

Further, pursuant to amendment in Companies (Prospectus and Allotment of Securities) Rules, 2014, a Demat Account of the Company has been opened with Alankit Assignments Limited (Registrar & Share Transfer Agent) and the investment of the Company in the form of securities in its unlisted subsidiaries have been dematerialised in accordance with provisions of the Depositories Act, 1996 and regulations made there under. The Company has been issued with ISIN in respect of the same.

#### Liquidity of shares

The Shares of the Company are traded electronically on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company's shares are included in indices of BSE- 500, and Small- mid cap index.

- i. Outstanding Global Depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion rate and likely impact on equity

| Category  | No. of Shares held (face value of Rs. 10/- each) | Percentage of total shareholding |
|---|--|----------------------------------|
| <b>Promoters' Shareholding</b>                                |  |                                  |
| Indian Promoters  | -  | -                                |
| Foreign Promoters   | 1,84,21,260                                      | 30.16                            |
| <b>Total Promoters' Holding</b>                               | <b>1,84,21,260</b>                               | <b>30.16</b>                     |
| <b>Public Shareholding</b>                                    |  |                                  |
| Mutual Fund and UTI   | 1,43,20,855                                      | 23.44                            |
| Banks & Insurance Companies                                   | 50,47,735  | 8.27                             |
| Foreign Portfolio Investors & Foreign Institutional Investors | 1,55,16,456                                      | 25.40                            |

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, which are likely to have an impact on the equity of the Company.

**m. Commodity Price Risk or foreign exchange risk and hedging activities**

During the Financial Year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Management Discussion & Analysis Report.

**n. Plant Locations**

In view of the nature of the Company's business viz., Information Technology (IT) Services and IT Enabled Services (ITeS), the Company operates from various offices worldwide.

**o. Registered Office:**

Coforge Limited,  
8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji,  
New Delhi - 110019, India

Tel Nos. : 011-41029297

e-mail: investors@coforge.com

**p. Address for correspondence**

The shareholders may address their communication/ suggestions/ grievances /queries to: The Compliance Officer

Coforge Limited

8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji,  
New Delhi – Tel Nos. : 011-41029297

e-mail: – investors@coforge.com

**q. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

List of all credit ratings can be accessed from the website of CRISIL & the Company at <https://www.coforge.com/investors/disclosure-under-listing-regulations>.

**r. Equity shares in Suspense Account: Unclaimed shares**

In accordance with the requirement of Regulation 34(3) & Part F of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in Unclaimed Suspense Account i.e. "Coforge Limited - Unclaimed Suspense Account" with Alankit Assignments Limited.

The details of unclaimed shares of the Company for the year ended March 31, 2023 as per Regulation 39 of Listing Regulations, are as under:

Unclaimed Suspense Account Shares status as on 31st March 2023

**Unclaimed Suspense Account Shares status as on 31<sup>st</sup> March 2023**

| S I . No. | Particulars  | No. of Shareholders | No. of Shares |
|-----------|--|---------------------|---------------|
| i.        | Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the beginning of the year | 1                   | 84            |
| ii.       | Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the year                 | 0                   | 0             |
| iii.      | Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year                       | 0                   | 0             |
| iv.       | Number of shareholders whose shares were transferred from Unclaimed Suspense Account to IEPF Account during the year         | 0                   | 0             |
| v.        | Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year       | 1                   | 84            |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**s. Nomination Facility**

The Companies Act, 2013 has provided for a nomination facility to the Shareholders of the Company. The Company is pleased to offer the facility of nomination to Shareholders and Shareholders may avail this facility by sending the duly completed form to the Registered Office of the Company/ Registrar and Transfer Agent of the Company in case the shareholding is in physical form. The shareholders may obtain a copy of the said form from the Registered Office of the Company or can download it from the website of the Company at [https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/KYC\\_Forms.pdf](https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/KYC_Forms.pdf) In case of demat

holdings, the request may be submitted to the Depository Participant.

**t. Compliance Certificate**

Certificate obtained from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated in Para E of Schedule V of the Listing Regulations as amended from time to time, is annexed to this Report.

**u. Statutory Compliance**

The Company has a system in place whereby Chief Financial Officer/Chief Executive Officer provides Compliance Certificate to the Board of Directors based on the confirmations received from business heads/ unit heads of the Company relating to compliance of various laws, rules, regulations and guidelines applicable to their areas of operation. The Company takes appropriate steps after consulting internally and if necessary, with independent legal counsels to ensure that the business operations are not in contravention of any laws. The Company takes all measures to register and protect Intellectual Property Rights belonging to the Company.

**v. (i) Transfer of Unclaimed/Unpaid amounts to the Investor Education & Protection Fund ('IEPF'):**

All unclaimed/unpaid dividend due for the Financial Year ended up to March 31, 2015 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956 and can be claimed from IEPF authority by applying online at <http://www.iepf.gov.in> or <http://www.iepf.gov.in/IEPFA/refund.html>

The Shareholders are requested to apply for unpaid/unclaimed dividend for the Financial Year ending March 31, 2016 on or before 15th July 2023 after which any unpaid dividend amount for the Financial Year 2015-16 will be transferred to Investors Education and Protection Fund (IEPF) by the Company and thereafter any claim can be made from IEPF authority by applying online at <http://www.iepf.gov.in> or <http://www.iepf.gov.in/IEPFA/refund.html>

As per the directives of Government of India guidelines vide Ministry of Corporate Affairs General Circular No. 12/2017 dated 16/10/2017 on IEPF Matters, if the dividend has not been claimed or paid for a period of 7 years, then the shares become liable for transfer to IEPF.

However, Investor whose shares have been transferred to IEPF, may claim the shares back from IEPF Authority by filing the online claim for refund in form IEPF-5 which can be downloaded from the website of IEPF (<http://www.iepf.gov.in>). Investor may read the instructions provided on the website/instruction kit along with the e-form carefully

before filling the form. Once the IEPF form is filled, Copy of IEPF form alongwith acknowledgement and related copies of the documents self-attested to be sent to the Registered Office of the Company within 30 days of its filing.

Investor may note to select the correct CIN of the Company-Coforge Limited **CIN No. L72100DL1992PLC048753**.

In terms of provisions of the Companies Act, 2013 read with Rules enacted therein, and all other applicable provisions, if any, all unclaimed/unpaid dividend remaining unpaid/unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund of the Central Government. The Company transferred an amount of Rs. 21,89,921 which was due for the Financial Year ended up to March 31, 2015 to the Investor Education and Protection Fund of the Central Government. No claim shall lie against the Company for the amount so transferred prior to March 31, 2023, nor shall any payment against any such claim.

Pursuant to procedure stipulated in the Rules and can be claimed from IEPF authority by applying online at <http://www.iepf.gov.in> or <http://www.iepf.gov.in/IEPFA/refund.html> pursuant to Rule 3 of the Investor Education and Protection Fund (Awareness & Protection of Investors Rules, 2001).

Further, the Shareholders are requested to apply for revalidation/issue of demand drafts for the dividend for the Financial Year ending March 31, 2015 on or before July 30, 2023 after which any unpaid dividend amount for the Financial Year 2014-2015 will be transferred to Investors Education and Protection Fund (IEPF) by the Company and any claim can be made from IEPF authority by applying online at <http://www.iepf.gov.in> or <http://www.iepf.gov.in/IEPFA/refund.html>

**Information in respect of unclaimed dividend when due for transfer to the Investors Education and Protection Fund (IEPF) is given below:**

| Financial Year | Type of Dividend     | Date of Declaration | Due date for transfer to IEPF |
|----------------|----------------------|---------------------|-------------------------------|
| 2015-16        | Final Dividend       | 01-Aug-16           | 06-Sep-23                     |
| 2016-17        | Final Dividend       | 22-Sep-17           | 28-Oct-24                     |
| 2017-18        | Final Dividend       | 28-Sep-18           | 03-Nov-25                     |
| 2019-20        | 1st Interim Dividend | 23-Oct-19           | 29-Nov-26                     |
| 2019-20        | 2nd Interim Dividend | 29-Jan-20           | 06-Mar-27                     |
| 2019-20        | 3rd Interim Dividend | 05-May-20           | 11-Jun-27                     |
| 2020-21        | 1st Interim Dividend | 06-May-21           | 12-Jun-28                     |
| 2021-22        | 1st Interim Dividend | 28-Jul-21           | 03-Sep-28                     |
| 2021-22        | 2nd Interim Dividend | 25-Oct-21           | 01-Dec-28                     |



|         |                      |             |            |
|---------|----------------------|-------------|------------|
| 2021-22 | 3rd Interim Dividend | 27-Jan-22   | 05-Mar-29  |
| 2021-22 | 4th Interim Dividend | 12-May-22   | 18-Jun-29  |
| 2022-23 | 1st Interim Dividend | 22-Jul-22   | 28-Aug-29  |
| 2022-23 | 2nd Interim Dividend | 20-Oct-22   | 26-Nov-29  |
| 2022-23 | 3rd Interim Dividend | 20-Jan-23   | 27-Feb-30  |
| 2022-23 | 4th Interim Dividend | 27-April-23 | 03-June-30 |

(ii) **Transfer of equity shares of the company, unclaimed dividends, other amounts and shares under section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refund) Rules, 2016 to Investors Education & Protection Fund of the Authority**

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Company has sent individual notices to all the shareholders whose dividends are lying unpaid/ unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. Shareholders are requested to claim the same as per procedure laid down in the Rules. In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite. The Board approved the transfer of shares and authorized the Company Secretary in order to comply with the requirement for transferring shares against which dividend has not been paid or claimed for seven consecutive years.

The Company had recently sent letters individually to the concerned shareholders whose shares are liable to be transferred to the demat account of the IEPF Authority, at their latest address registered with the Company so that they can apply to the Company with requisite details and documents and claim their shares, if any. The Company has also uploaded full details of such shareholders and shares due for transfer to the demat account of the IEPF Authority on its website at link <https://www.coforge.com/investors/statutory-disclosures>

Details of shares transferred to Investors Education and Protection Fund Authority (Ministry of Corporate Affairs Fund) account wherein dividend is remained unpaid/unclaimed for continuous 7 years:-

| Particulars  | No. of shareholders | No. of shares |
|--|---------------------|---------------|
| Shares transferred to IEPF account during the Financial Year 2017-18   | 868                 | 78607         |
| Shares transferred to IEPF account during the Financial Year 2018-19   | 221                 | 11537         |
| Shares transferred to IEPF account during the Financial Year 2019-20   | 121                 | 5754          |
| Shares transferred to IEPF account during the Financial Year 2020-21   | 104                 | 6150          |
| Shares transferred to IEPF account during the Financial Year 2021-22   | 97                  | 7062          |
| Shares transferred to IEPF account during the Financial Year 2022-23   | 116                 | 10426         |
| Shares claim settled during the Financial Year 2018-19   | 1                   | 25            |
| Shares claim settled during the Financial Year 2019-20   | 5                   | 480           |
| Shares claim settled during the Financial Year 2020-21   | 3                   | 1300          |
| Shares claim settled during the Financial Year 2021-22   | 16                  | 1407          |
| Shares claim settled during the Financial Year 2022-23   | 11                  | 666           |
| Aggregate number of shareholders and the outstanding shares lying in IEPF account at the end of the Financial Year 2022-23 | 1487                | 115658        |

w. Compliance Officer

Ms. Barkha Sharma, is the Company Secretary of the Company. The Compliance officer can be contacted for any shareholder/investor related matter of the Company. The contact no. is 011-41029297 and e-mail ID is [investors@coforge.com](mailto:investors@coforge.com).

x. Code for prevention of Insider -Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 on prevention of insider trading, the Company has laid down a comprehensive code of conduct to regulate, monitor and report trading in the shares of the Company, by its employees and other connected persons. The Company has also laid down a Code on Fair Disclosure which deals with the practices & procedures for fair disclosure of unpublished price sensitive information. The Code(s) lays down guidelines for

fair disclosure of unpublished price sensitive information and advises the persons covered under the said Code(s) on procedures to be followed and disclosures to be made, while dealing with shares of the Company and advising them of the consequences of violations. The URL of the same is: <https://www.coforge.com/hubfs/Code-of-Conduct-Regulate-Monitor.pdf>

**y. Secretarial Certificates:**

**Reconciliation of Share Capital Audit**

A Company Secretary in-Practice carries out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form held with Depositories.

Secretarial Certificates pursuant to Regulation 40(9) of the Listing Regulations, certificates, on yearly basis, have been issued by a Company Secretary in Practice certifying that all certificates have been issued within thirty days of date of lodgement for transfer, sub-division, consolidation, renewal and exchange etc.

**z. Subsidiary Companies**

In order to comply with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on material subsidiaries and posted the same on the website of the Company pursuant to SEBI (Listing Obligations & Disclosure Regulations, 2015.

At present, the Company has two material subsidiary whose net worth exceeds 10% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 10% of the consolidated income of the Company during the previous financial year.

The Financials of Subsidiary Companies are tabled at the Audit Committee and Board Meetings at regular intervals (quarterly/annually). Copies of the Minutes of the Audit Committee/Board Meetings of Subsidiary Companies are also placed before the Board members at the subsequent Board Meetings for taking note.

**aa. Disclosure of Accounting Treatment of Financial Statements of the Company**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and all amendments thereto and other applicable & relevant provisions.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of Company's business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**Other Disclosures:**

- a. The details pertaining to disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is covered under Board Report. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- b. The Company paid a total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, for the FY ended March 31, 2023, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, is as follows:

| Particulars  | Amt in INR (Millions) |
|--|-----------------------|
| Fees for audit and related services paid to S.R. Batliboi & Associates LLP firms and to entities of the network of which the Statutory Auditor is a part | 38.1                  |
| Other fees paid to S.R. Batliboi & Associates LLP firms and to entities of the network of which the Statutory Auditor is a part                          | 35.4                  |
| <b>TOTAL</b>   | <b>73.5</b>           |

**OTHER DISCLOSURES**

**ab. Related Party Transactions**

There are no materially significant related party transactions of the Company, which have a potential conflict with the interests of the Company at large. The related party transactions (as per Accounting Standard 18) and as per INDAS 24 (Indian Accounting Standards specified under section 133 of the Companies Act 2013) in the ordinary course of business during the year April 1, 2022 to March 31, 2023 are reported under the Financial Statements.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations

2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The same, as per the provisions of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 and all amendments thereto, were placed before the Audit Committee of the Company and are regularly/periodically ratified and/or approved by the Board/ Audit Committee respectively. For further details, please refer to Notes, forming part of the Balance Sheet & notes to account of the Company.

#### **Related Party Transactions Policy**

Pursuant to the recent amendment in SEBI (Listing Obligations & Disclosure Regulations, 2015), the Board has approved a policy for related party transactions which has been uploaded on the Company's website.

#### **ac. Structures and Penalties**

The Company has complied with the requirements of the Stock Exchange(s)/SEBI and Statutory Authority(ies) on all matters related to the capital market during the last three years. There were no material penalties or strictures imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority(ies) relating to the above.

#### **ad. Vigil Mechanism/Whistle Blower Policy**

In view of the requirement as stipulated by Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Company has complied with all the provisions of the Section and has a Whistle Blower Policy duly approved by the Audit Committee to report concerns about unethical behaviour, actual & suspected frauds, or violation of Company's Code of Conduct and Ethics. The Company hereby affirms that no person has been denied access to the Audit Committee.

The policy is uploaded on the website of the Company and the URL for the same is <https://www.coforge.com/hubfs/Whistle-Blower-Policy-Coforge.pdf>

#### **ae. Risk Management Framework**

As mentioned earlier in the Report, the Company has laid down procedures to inform the Board Members about the Risk assessment and procedures. All the designated officials submit quarterly reports, through online risk management system, which is reviewed periodically to ensure effective risk identification and management.

#### **Internal Control**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

#### **af. Proceeds from the public issue/right issue/preferential issues/qualified institutional placements and utilisation of proceeds etc.**

There was no fresh public issue/right issue/preferential issues or etc. during the Financial Year 2022-23 (except shares allotted under Employee Stock Option Scheme of the Company).

#### **ag. Remuneration of Non- Executive Directors**

The Company has defined its criteria of making payment of remuneration to its Non-Executive Directors. The details are stated in the section 'Nomination & Remuneration Policy' of the Company.

#### **ah. Management Discussion and Analysis**

There is a separate part on Management Discussion and Analysis in the Annual Report.

#### **ai. Inter-se relationship between directors**

There is no inter-se relationship between Directors of the Company.

#### **aj. The Company is having the following policies as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. URL for the policies are provided below:**

Policy for Dividend Distribution:

<https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/dividend-distribution-policy-new.pdf>

Policy for determining material' subsidiaries:

<https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/policy-on-determining-material-subsiadiaries-new.pdf>

Archival Policy on Preservation of Documents of the Company: <https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/Archival-policyuploaded.pdf>

Policy on determination of material/price sensitive information:

<https://25186482.fs1.hubspotusercontent-eu1.net/hubfs/25186482/policy-on-materiality-of-events-new.pdf>

**ak. Details of material subsidiaries of the listed entity:**

| S. No. | Name of Material Subsidiary | Date of Incorporation | Place of Incorporation | Name of Statutory Auditors          |
|--------|-----------------------------|-----------------------|------------------------|-------------------------------------|
| 1      | Coforge Inc.                | 17-03-2004            | State of Georgia       | S.R Batliboi & Associates LLP       |
| 2      | Coforge U.K. Ltd.           | 25-09-1991            | London, U.K            | Anderson Anderson & Brown Audit LLP |

**al. Name of Denbenture trustee with contact details:**

Catalyst Trusteeship Limited

Address: Windsor, 6th Floor, Office No. 604, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098

**am. The requirement under Regulation 17 to 27 read Regulation 46 for Corporate Governance under the Listing Regulations are complied.****Compliance with mandatory and non-mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015****a. Mandatory Requirements**

The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

**b. Non-mandatory Requirements**

The Company has adopted following discretionary requirements of Regulation 27 (1) of the Listing Regulations:

**i. The Board:**

The Non-executive Chairperson's Office is maintained at Company's expense. He is also entitled for reimbursement of any expenses incurred for performance of his duties. – Not applicable

**ii. Shareholders Rights:**

The quarterly and half-yearly Financial Results are published in widely circulated dailies and also displayed on Company's website. The Company sends Financial Statements along with Directors' report and Auditors' report to all the Shareholders every year.

**iii. Modified Opinion(s) in Audit Report**

The Company's Standalone and Consolidated Financial Statements are with unmodified audit opinion for the Financial Year ended on March 31, 2023

**iv. Separate posts of Chairperson and CEO**

During the year 2022-23, the Company continued to have separate persons in the post of Chairperson and CEO.

**v. Reporting of Internal Auditor**

The Internal Auditors reports to the Audit Committee.

**CERTIFICATE RELATING TO COMPLIANCE WITH THE CODE OF CONDUCT FOR DIRECTORS/SENIOR MANAGEMENT**

This is to certify that as per SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015:

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2022-23

Sd/-

**Sudhir Singh**  
Chief Executive Officer & Executive Director

**Date: April 27, 2023**

**Place: Gurugram**

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 17(8) & PART E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015**

To,  
The Board of Directors  
Coforge Limited  
8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji, New Delhi –110019

We hereby certify that for the Financial Year 2022-23

1. We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief: -
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2022-23 which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. Significant changes, if any, in internal control over financial reporting during this year.
  - b. significant changes, if any, in accounting policies during this year 2022-23 and that the same have been disclosed in the notes to the financial statements; and
  - c. instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Sudhir Singh  
Chief Executive Officer &  
Executive Director  
Place: Gurugram  
Date: April 27, 2023

Sd/-  
Ajay Kalra  
Chief Financial Officer  
Place: Gurugram  
Date: April 27, 2023



**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To,  
**The Members of  
 Coforge Limited  
 8, Balaji Estate,  
 Guru Ravi Das Marg, Kalkaji,  
 New Delhi - 110019.**

1. The Corporate Governance Report prepared by Coforge Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")<sup>1</sup> ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2023, and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 1, 2022 to March 31, 2023 :
    - a. Board of Directors;
    - b. Audit Committee;
    - c. Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
    - d. Nomination and Remuneration Committee;
    - e. Stakeholders Relationship Committee;
    - f. Risk Management Committee

- v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financials information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

**Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

**per Yogender Seth**

Partner

Membership Number: 094524

UDIN: 23094524BGYIBZ7561

Place of Signature: Gurugram

Date: April 27, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Coforge Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Coforge Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 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 standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters  | How our audit addressed the key audit matter   |
|--|--|
| <b>Recoverability of trade receivables and unbilled revenue related to Government Customer</b>   |  |
| <p>As at March 31, 2023, the Company has outstanding trade receivables and unbilled revenue relating to Government customer in India. The appropriateness of the allowance for doubtful trade receivables pertaining to Government customers in India is subjective due to the high degree of significant judgement applied by management in determining the impairment provision.</p> <p>Refer Note 5(iii) of the Standalone Financial Statements</p> | <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1) We evaluated the Company's processes and controls relating to the monitoring of trade receivables &amp; unbilled from Government customer.</li> <li>2) We performed procedures relating to obtaining evidence of receipts from the trade receivables after the period end on test check basis.</li> <li>3) We inquired management about the recoverability status and reviewed communication received from the customer.</li> <li>4) We evaluated management's assumptions used to determine the impairment amount, through analysis of ageing of trade receivables, assessment of material overdue individual trade receivables and risks specific to the Government Customer.</li> </ol> |

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13(iv) to the standalone financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
- vi. (As proviso to rule 3(i) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**  
Partner  
Membership Number: 094524  
UDIN: 23094524BGYIBY2676

Place of Signature: Gurugram  
Date: April 27, 2023

**Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date**

**Re: Coforge Limited ("the Company")**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them in phased manner once in two years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 13(a)(i) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues of income-tax have not been deposited on account of any dispute, are as follows:

| Name of the statute  | Nature of the dues  | Amount (Rs)              | Period to which the amount relates | Forum where the dispute is pending   |
|----------------------|---------------------|--------------------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income tax          | 48,428,318               | Assessment Year 2006-07            | High Court                           |
| Income Tax Act, 1961 | Income tax          | 153,064,724              | Assessment Year 2007-08            | High Court                           |
| Income Tax Act, 1961 | Income tax          | 9,223,633                | Assessment Year 2008-09            | High Court                           |
| Income Tax Act, 1961 | Income Tax Interest | 67,757,486<br>20,851,525 | Assessment Year 2009-10            | Income Tax Appellate Tribunal        |
| Income Tax Act, 1961 | Income Tax Interest | 439,716<br>111,484       | Assessment Year 2010-11            | Income Tax Appellate Tribunal        |
| Income Tax Act, 1961 | Income Tax Interest | 10,401,805<br>7,102,295  | Assessment Year 2011-12            | Income Tax Appellate Tribunal        |
| Income Tax Act, 1961 | Income Tax Interest | 7,569,291<br>1,150,449   | Assessment Year 2013-14            | Income Tax Appellate Tribunal        |
| Income Tax Act, 1961 | Income tax          | 125,864,670              | Assessment Year 2021-22            | Commissioner of Income Tax (Appeals) |

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short- term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to

report on clause 3(xii)(c) of the Order is not applicable to the Company.

- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.  
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.  
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.  
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company  
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 20(b) to the financial statements.  
(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 20(b) to the financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**

Partner

Membership Number: 094524

UDIN: 23094524BGYIBY2676

Place of Signature: Gurugram

Date: April 27, 2023

**Annexure 2 To the Independent Auditor's Report Of even date on the Standalone Financial Statements of Coforge Limited  
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Coforge Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

**Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not



be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on [the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.]

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**

Partner

Membership Number: 094524

UDIN: 23094524BGYIBY2676

Place of Signature: Gurugram

Date: April 27, 2023

**COFORGE LIMITED**  
**(CIN: L72100DL1992PLC048753)**  
**STANDALONE BALANCE SHEET**

(All amounts in Rs Mn unless otherwise stated)

| Particulars  | Notes   | As at         |               |
|--|---------|---------------|---------------|
|  |         | 31 March 2023 | 31 March 2022 |
| <b>ASSETS</b>  |         |               |               |
| <b>Non-current assets</b>  |         |               |               |
| Property, plant and equipment  | 3       | 3,451         | 3,434         |
| Right-of-use assets  | 31      | 840           | 428           |
| Capital work-in-progress   | 3       | 17            | 86            |
| Goodwill   | 4       | 21            | 21            |
| Other intangible assets  | 4       | 47            | 58            |
| Financial assets   |         |               |               |
| Investments  | 5(i)    | 18,336        | 18,336        |
| Trade receivables  | 5(iii)  | 467           | 332           |
| Other financial assets   | 5(ii)   | 181           | 140           |
| Income tax assets (net of provisions)  | 9       | 239           | 236           |
| Deferred tax assets (net)  | 6       | 3,057         | 2,330         |
| Other non-current assets   | 7       | 762           | 669           |
| <b>Total non-current assets</b>  |         | <b>27,418</b> | <b>26,070</b> |
| <b>Current assets</b>  |         |               |               |
| Contract assets  | 8       | 32            | 17            |
| Financial assets   |         |               |               |
| Trade receivables  | 5(iii)  | 7,836         | 4,246         |
| Cash and cash equivalents  | 5(iv)   | 1,372         | 604           |
| Other bank balances  | 5(v)    | 23            | 20            |
| Other financial assets   | 5(ii)   | 88            | 532           |
| Other current assets   | 7       | 1,012         | 920           |
| <b>Total current assets</b>  |         | <b>10,363</b> | <b>6,339</b>  |
| <b>TOTAL ASSETS</b>  |         | <b>37,781</b> | <b>32,409</b> |
| <b>EQUITY AND LIABILITIES</b>  |         |               |               |
| <b>Equity</b>  |         |               |               |
| Equity share capital   | 10      | 611           | 609           |
| Other equity   | 11      | 25,542        | 21,452        |
| <b>Total equity</b>  |         | <b>26,153</b> | <b>22,061</b> |
| <b>Liabilities</b>   |         |               |               |
| <b>Non-current liabilities</b>   |         |               |               |
| Financial liabilities  |         |               |               |
| Borrowings   | 12(i)   | 3,382         | 3,365         |
| Lease Liability  | 31      | 474           | 87            |
| Trade payables   |         |               |               |
| Total outstanding dues of micro enterprises and small enterprises                      | 12(iii) | -             | -             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 12(iii) | 102           | 127           |
| Other financial liabilities  | 12(iv)  | 112           | -             |
| Employee benefit obligations   | 13      | 857           | 615           |
| Other non-current liabilities  | 14      | 59            | 51            |
| <b>Total non-current liabilities</b>   |         | <b>4,986</b>  | <b>4,245</b>  |
| <b>Current liabilities</b>   |         |               |               |
| Financial liabilities  |         |               |               |
| Borrowings   | 12(i)   | -             | 2             |
| Lease Liability  | 31      | 94            | 75            |
| Trade payables   |         |               |               |
| Total outstanding dues of micro enterprises and small enterprises                      | 12(iii) | 282           | 142           |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 12(iii) | 3,060         | 3,690         |
| Other financial liabilities  | 12(iv)  | 2,496         | 1,451         |
| Employee benefit obligations   | 13      | 89            | 41            |
| Other current liabilities  | 14      | 621           | 702           |
| <b>Total current liabilities</b>   |         | <b>6,642</b>  | <b>6,103</b>  |
| <b>Total Liabilities</b>   |         | <b>11,628</b> | <b>10,348</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |         | <b>37,781</b> | <b>32,409</b> |

The accompanying notes are an integral part of the Standalone 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

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Yogender Seth**  
Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023

**COFORGE LIMITED**  
**(CIN: L72100DL1992PLC048753)**  
**STATEMENT OF PROFIT AND LOSS**

(All amounts in Rs Mn unless otherwise stated)

| Particulars  | Note | Year ended<br>31 March 2023 | Year ended 31<br>March 2022 |
|--|------|-----------------------------|-----------------------------|
| Revenue from operations  | 15   | 42,305                      | 33,132                      |
| Other income   | 16   | 5,879                       | 4,005                       |
| <b>Total income</b>  |      | <b>48,184</b>               | <b>37,137</b>               |
| <b>Expenditure</b>   |      |                             |                             |
| Purchases of stock-in-trade / contract cost  |      | 365                         | 979                         |
| Employee benefits expense  | 17   | 28,866                      | 21,565                      |
| Depreciation and amortisation expense  | 18   | 1,087                       | 838                         |
| Other expenses   | 19   | 8,530                       | 6,322                       |
| Finance costs  | 20   | 588                         | 518                         |
| <b>Total expenses</b>  |      | <b>39,436</b>               | <b>30,222</b>               |
| <b>Profit before exceptional items and tax</b>   |      | <b>8,748</b>                | <b>6,915</b>                |
| Exceptional items  | 21   | 523                         | -                           |
| <b>Profit before tax</b>   |      | <b>8,225</b>                | <b>6,915</b>                |
| Income tax expense:  | 22   |                             |                             |
| Current tax  |      | 839                         | 513                         |
| Deferred tax   |      | 61                          | (43)                        |
| <b>Total tax expense</b>   |      | <b>900</b>                  | <b>470</b>                  |
| <b>Profit for the year</b>   |      | <b>7,325</b>                | <b>6,445</b>                |
| Other comprehensive income/(loss)  |      |                             |                             |
| Items that may be reclassified to profit or loss   |      |                             |                             |
| Fair value changes on derivatives designated as cash flow hedge, net   |      | (344)                       | 1                           |
| Income tax relating to items that will be reclassified to profit or loss   |      | 83                          | 2                           |
|  |      | <b>(261)</b>                | <b>3</b>                    |
| Items that will not be reclassified to profit or loss  |      |                             |                             |
| Remeasurement of post - employment benefit obligations (expenses) / income                                       |      | (39)                        | (26)                        |
| Income tax relating to items that will not be reclassified to profit or loss                                     |      | 9                           | 9                           |
|  |      | <b>(30)</b>                 | <b>(17)</b>                 |
| <b>Other comprehensive income for the year, net of tax</b>   |      | <b>(291)</b>                | <b>(14)</b>                 |
| <b>Total comprehensive income for the year</b>   |      | <b>7,034</b>                | <b>6,431</b>                |
| Earnings per equity share (of Rs 10 each) for profit from operations attributable to owners of Coforge Limited : |      |                             |                             |
| Basic earnings per share   | 33   | 120.12                      | 106.19                      |
| Diluted earnings per share   | 33   | 117.75                      | 103.75                      |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

**Yogender Seth**  
Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

For and on Behalf of Board of Directors of Coforge Limited

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023

**COFORGE LIMITED**  
**(CIN: L72100DL1992PLC048753)**  
**STATEMENT OF CASH FLOWS**

(All amounts in Rs Mn unless otherwise stated)

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>                     |                             |                             |
| Profit before tax after exceptional items                      | 8,225                       | 6,915                       |
| <b>Adjustments for:</b>  |                             |                             |
| Depreciation and amortisation expense                          | 1,087                       | 838                         |
| Loss on disposal of property, plant and equipment (net)        | 13                          | (11)                        |
| Dividend and interest income                                   | (4,782)                     | (3,477)                     |
| Interest and finance charges                                   | 574                         | 500                         |
| Realised and unrealised loss/ (gain) on investments            | -                           | 1                           |
| Employee share-based payment expense                           | 464                         | 287                         |
| Allowance for doubtful debts & contract assets (net)           | 28                          | 1                           |
| Unwinding of discount - Finance Income                         | (19)                        | (21)                        |
|  | <b>(2,635)</b>              | <b>(1,882)</b>              |
| <b>Changes in operating assets and liabilities</b>             |                             |                             |
| (Increase)/decrease in trade receivables                       | (3,693)                     | (962)                       |
| (Increase)/decrease in other financial assets                  | 302                         | (357)                       |
| (Increase)/decrease in other assets                            | (166)                       | (845)                       |
| (Increase) / Decrease in other bank balances                   | (3)                         | (3)                         |
| Increase/(Decrease) in trade payables                          | (525)                       | 1,860                       |
| Increase/(Decrease) in provisions                              | 251                         | 150                         |
| Increase/(Decrease) in other liabilities                       | 517                         | 303                         |
| <b>Cash generated/ (used) from operations</b>                  | <b>(3,317)</b>              | <b>146</b>                  |
| Income taxes paid  | (1,515)                     | (1,292)                     |
| <b>Net cash inflow from operating activities</b>               | <b>758</b>                  | <b>3,887</b>                |
| <b>Cash flow from investing activities</b>                     |                             |                             |
| Purchase of property, plant and equipment                      | (681)                       | (1,059)                     |
| Proceeds from sale of Property, plant and equipment            | 37                          | 60                          |
| Acquisition of a subsidiary / operations, net of cash acquired | -                           | (9,912)                     |
| Proceeds from sale of current investments                      | -                           | 126                         |
| Dividend Income  | 4,758                       | 3,473                       |
| Interest received from financial assets at amortised cost      | 27                          | 4                           |
| <b>Net cash inflow/(outflow) from investing activities</b>     | <b>4,141</b>                | <b>(7,308)</b>              |
| <b>Cash flow from financing activities</b>                     |                             |                             |
| Proceeds from issue of shares (including securities premium)   | 18                          | 51                          |
| Proceeds from borrowings                                       | -                           | 3,400                       |
| Repayment of borrowings  | (2)                         | (50)                        |
| Repayment of principal portion of lease liabilities            | (65)                        | (56)                        |
| Interest paid  | (548)                       | (174)                       |
| Dividends paid to the Company's shareholders                   | (3,534)                     | (3,152)                     |
| <b>Net cash inflow/ (outflow) from financing activities</b>    | <b>(4,131)</b>              | <b>19</b>                   |

**COFORGE LIMITED**  
(CIN: L72100DL1992PLC048753)  
**STATEMENT OF CASH FLOWS**

(All amounts in Rs Mn unless otherwise stated)

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Net decrease in cash and cash equivalents</b>                           | <b>768</b>                  | <b>(3,402)</b>              |
| Cash and cash equivalents at the beginning of the financial year           | 604                         | 4,006                       |
| <b>Cash and cash equivalents at the end of the financial year</b>          | <b>1,372</b>                | <b>604</b>                  |
| Reconciliation of cash and cash equivalents as per the cash flow statement |                             |                             |
| Cash and cash equivalents as per above comprise of the following           |                             |                             |
| Balances with banks  | 1,372                       | 604                         |
| Fixed deposit accounts (less than 3 months maturity)                       | -                           | -                           |
| <b>Total [Refer note no. 5(v)]</b>   | <b>1,372</b>                | <b>604</b>                  |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

**Yogender Seth**  
Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

For and on Behalf of Board of Directors of Coforge Limited

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023



**COFORGE LIMITED**  
**(CIN: L72100DL1992PLC048753)**  
**STATEMENT OF CHANGES IN EQUITY**

(All amounts in Rs Mn unless otherwise stated)

**a. Equity Share Capital**

| Particulars         | Number     | Amount |
|---------------------|------------|--------|
| As at 1 April 2021  | 60,592,349 | 606    |
| Issue of Shares     | 320,803    | 3      |
| As at 31 March 2022 | 60,913,152 | 609    |

|                     |            |     |
|---------------------|------------|-----|
| As at 1 April 2022  | 60,913,152 | 609 |
| Issue of Shares     | 173,928    | 2   |
| As at 31 March 2023 | 61,087,080 | 611 |

**b. Other Equity**

| Description   | Other Equity         |                            |                    |                       |                  |                   |                            | Total   |
|---|----------------------|----------------------------|--------------------|-----------------------|------------------|-------------------|----------------------------|---------|
|   | Reserves and Surplus |                            |                    |                       |                  |                   | Other Comprehensive Income |         |
|   | Capital Reserve      | Capital Redemption Reserve | Securities Premium | Employee Stock Option | General Reserves | Retained Earnings | Cash Flow Hedging Reserve  |         |
| Balance at 1 April 2021   | 6                    | 36                         | 39                 | 523                   | 1,623            | 15,133            | 85                         | 17,445  |
| Profit for the year   | -                    | -                          | -                  | -                     | -                | 6,445             | -                          | 6,445   |
| Other comprehensive income  | -                    | -                          | -                  | -                     | -                | (17)              | 3                          | (14)    |
| <b>Total Comprehensive Income for the year</b>                              | -                    | -                          | -                  | -                     | -                | 6,428             | 3                          | 6,431   |
| Transferred from Employee Stock Option Reserve on exercise of stock options | -                    | -                          | 297                | (297)                 | -                | -                 | -                          | -       |
| Shares issued on exercise of employee stock options                         | -                    | -                          | 48                 | -                     | -                | -                 | -                          | 48      |
| Shares based payments expense   | -                    | -                          | -                  | 349                   | -                | -                 | -                          | 349     |
| Tax benefit on share based payment # (Refer Note 33)                        | -                    | -                          | -                  | -                     | -                | 334               | -                          | 334     |
| Dividend paid   | -                    | -                          | -                  | -                     | -                | (3,155)           | -                          | (3,155) |
| Balance at 31 March 2022  | 6                    | 36                         | 384                | 575                   | 1,623            | 18,740            | 88                         | 21,452  |

| Description   | Other Equity         |                            |                    |                       |                  |                   |                            | Total   |
|---|----------------------|----------------------------|--------------------|-----------------------|------------------|-------------------|----------------------------|---------|
|   | Reserves and Surplus |                            |                    |                       |                  |                   | Other Comprehensive Income |         |
|   | Capital Reserve      | Capital Redemption Reserve | Securities Premium | Employee Stock Option | General Reserves | Retained Earnings | Cash Flow Hedging Reserve  |         |
| Balance at 1 April 2022   | 6                    | 36                         | 384                | 575                   | 1,623            | 18,740            | 88                         | 21,452  |
| Profit for the year   | -                    | -                          | -                  | -                     | -                | 7,325             | -                          | 7,325   |
| Other comprehensive income  | -                    | -                          | -                  | -                     | -                | (30)              | (261)                      | (291)   |
| <b>Total Comprehensive Income for the year</b>                              | -                    | -                          | -                  | -                     | -                | 7,295             | (261)                      | 7,034   |
| Transferred from Employee Stock Option Reserve on exercise of stock options | -                    | -                          | 235                | (235)                 | -                | -                 | -                          | -       |
| Shares issued on exercise of employee stock options                         | -                    | -                          | 16                 | -                     | -                | -                 | -                          | 16      |
| Impact on fair valuation of employee stock options                          | -                    | -                          | -                  | 544                   | -                | -                 | -                          | 544     |
| Tax benefit on share based payment  | -                    | -                          | -                  | -                     | -                | 33                | -                          | 33      |
| Dividend paid   | -                    | -                          | -                  | -                     | -                | (3,537)           | -                          | (3,537) |
| Balance at 31 March 2023  | 6                    | 36                         | 635                | 884                   | 1,623            | 22,531            | (173)                      | 25,542  |

# In certain jurisdictions, the Company 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 standalone 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

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
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**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

### A. Background

Coforge Limited (“the Company”) 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. The Company 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 BSE LIMITED and the National Stock Exchange (NSE). These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 27 April 2023.

### B. Basis of preparation of financial statements

#### (i) Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

#### (ii) Historical cost convention

The 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 (p)]; and
- share-based payments [refer note 1(p)]

### C. Use of Estimates and judgements

The preparation of 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 financial statements. These estimates are based on the management’s best knowledge of current events, historical experience, actions that the Company 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 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 Company’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 financial statements.

Areas involving critical estimates and judgments are:

- Impairment of trade receivables

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

The Company 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).

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 Company and that are believed to be reasonable under the circumstances.

**Notes to the Standalone Financial Statements.**
**(All amounts in Rs Mn unless otherwise stated)**
**1 Significant accounting policies**
**(a) Foreign currency translation**
**(i) Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity/branches operates (the 'functional currency'). For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Financial statements of the Company are presented in Indian Rupee (INR), which is the parent company's functional and the Company'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 monthly 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. Exchange difference on restatement as well as settlement of monetary items are recognized in the Statement of Profit and Loss.

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 Company 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 Company'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 Company classifies revenue from sale of its 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 Company expects to receive in exchange for those products or services. The Company 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 Company evaluates whether the Company 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 Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If Company controls the good or service before it is transferred to the customer, the Company is the principal; if not, the Company is the agent.

In case of multiple element contracts, at contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company 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 Company 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 Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

***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

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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 Company 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 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 recognized 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 Company 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 Company 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 Company 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 Company 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 Company 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 a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a 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

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.

**Notes to the Standalone Financial Statements.**
**(All amounts in Rs Mn unless otherwise stated)**

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 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 Company 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 Company 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 financial statements.

**(d) Leases**
**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company 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 Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company 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



## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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 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 statement of financial position.

### (f) Inventories

Inventories represent items of traded goods that are specific to execute composite contracts of software services and IT infrastructure management services and also include finished goods which are interchangeable and not specific to any project. Inventory is carried at the lower of cost or net realizable value. The net realizable value is determined with reference to selling price of goods less the estimated cost necessary to make the sale. Cost of goods that are procured for specific projects is assigned by specific identification of their individual costs. Cost of goods which are interchangeable and not specific to any project is determined using weighted average cost formula.

### (g) 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.

#### (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)

#### (i) Debt instruments

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

#### (ii) *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 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 recognize the transferred asset to the extent of the entity's continuing involvement. In that case, the entity also recognizes 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.

**Notes to the Standalone Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
*(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 amortized 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 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.

**(h) Financial liabilities**
*(i) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables plus directly attributable transaction costs. The Company'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/ losses are not subsequently transferred to P&L. However, the Company 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 Company has not designated any financial liability as at fair value through profit and loss.

**Notes to the Standalone Financial Statements.**
**(All amounts in Rs Mn unless otherwise stated)**
**Loans and borrowings**

This is the category most relevant to the Company. 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 expired. 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.

**(i) 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 Company or the counter party.

**(j) 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 Company, and the amount of the dividend can be measured reliably.

**(k) Derivatives and hedging activities**

The Company 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 Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company'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 Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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.

### (l) 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 Company 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 Company 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 asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

### (m) Intangible assets

#### (i) 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 Company 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



**Notes to the Standalone Financial Statements.**
**(All amounts in Rs Mn unless otherwise stated)**

- 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.

**(ii) 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.

**(iii) Amortization methods and periods**

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

|                              |         |
|------------------------------|---------|
| Computer software - external | 3 years |
|------------------------------|---------|

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

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

Goodwill 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 Company 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 Company 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 Companies 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 Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company'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 Company estimates the asset's or CGU's recoverable amount.

**Notes to the Standalone Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
**(n) 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 Company has not capitalised any material borrowing costs.

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

**(o) Provisions and contingent liabilities**

Provisions for legal claims and service warranties are recognized when the Company 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 Company 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 Company 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 financial statements.

**(p) 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 Company. The Company'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.

**Notes to the Standalone Financial Statements.**
**(All amounts in Rs Mn unless otherwise stated)**
**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 Company'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 Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the 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 Company makes defined contribution to a Trust established for this purpose. The Company has no further obligation beyond its monthly contributions. The Company'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 Company 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.

**(q) 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.

**Notes to the Standalone Financial Statements**

(All amounts in Rs Mn unless otherwise stated)

**(r) Earnings per share**
*Basic earnings per share*

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- 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.

**(s) Non-current assets held for sale**

The Company classifies non-current assets and disposal Companies 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 Companies 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 Company), 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 Company 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 Company measures financial instruments, such as investment in mutual funds and derivatives, at fair value at each balance sheet date. The Company 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 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

**Notes to the Standalone Financial Statements.**
**(All amounts in Rs Mn unless otherwise stated)**

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 Company'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 Company 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 Company 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 Company has identified twelve months as its operating cycle.

**(v) Rounding of amounts**

All amounts disclosed in the 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 Company**

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**New amendments issued but not effective**

Ministry of Corporate Affairs("MCA")notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023,MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:



**Notes to the Standalone Financial Statements****(All amounts in Rs Mn unless otherwise stated)**

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the accounting policy information disclosures to ensure consistency with the amended requirements and concluded that no change is required.

**Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the accounting policy information disclosures to ensure consistency with the amended requirements and concluded that no change is required.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the accounting policy information disclosures to ensure consistency with the amended requirements and concluded that no change is required.

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

## 3 Property, plant and equipment

| Year ended 31 March 2022                          | 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 |
|---|--------------|--|---------------------------------------|------------------------------|------------------------|-------------------------|------------|--------------|--------------------------|
| <b>Gross carrying amount</b>                      |              |  |                                       |                              |                        |                         |            |              |                          |
| Opening gross carrying amount as on 01 April 2021 | 2,375        | 1,573  | 160                                   | 1,181                        | 555                    | 22                      | 378        | 6,244        | 2                        |
| Additions   | 1            | 498  | 6                                     | 8                            | 2                      | 1                       | 107        | 623          | 104                      |
| Disposals   | -            | 108  | 9                                     | 2                            | -                      | -                       | 88         | 207          | -                        |
| Transfers   | -            | -  | -                                     | -                            | -                      | -                       | -          | -            | (20)                     |
| <b>Closing gross carrying amount</b>              | <b>2,376</b> | <b>1,963</b>                                   | <b>157</b>                            | <b>1,187</b>                 | <b>557</b>             | <b>23</b>               | <b>397</b> | <b>6,660</b> | <b>86</b>                |
| <b>Accumulated depreciation</b>                   |              |  |                                       |                              |                        |                         |            |              |                          |
| Opening accumulated depreciation                  | 233          | 1,229  | 144                                   | 753                          | 385                    | 18                      | 122        | 2,884        | -                        |
| Depreciation charge during the year               | 41           | 278  | 8                                     | 77                           | 45                     | 4                       | 48         | 501          | -                        |
| Disposals   | -            | 108  | 9                                     | 1                            | -                      | -                       | 41         | 159          | -                        |
| Transfers   | -            | -  | -                                     | -                            | -                      | -                       | -          | -            | -                        |
| <b>Closing accumulated depreciation</b>           | <b>274</b>   | <b>1,399</b>                                   | <b>143</b>                            | <b>829</b>                   | <b>430</b>             | <b>22</b>               | <b>129</b> | <b>3,226</b> | <b>-</b>                 |
| <b>Net carrying amount</b>                        | <b>2,102</b> | <b>564</b>                                     | <b>14</b>                             | <b>358</b>                   | <b>127</b>             | <b>1</b>                | <b>268</b> | <b>3,434</b> | <b>86</b>                |

| Year ended 31 March 2023                          | 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 |
|---|--------------|--|---------------------------------------|------------------------------|------------------------|-------------------------|------------|--------------|--------------------------|
| <b>Gross carrying amount</b>                      |              |  |                                       |                              |                        |                         |            |              |                          |
| Opening gross carrying amount as on 01 April 2022 | 2,376        | 1,963  | 157                                   | 1,187                        | 557                    | 23                      | 397        | 6,660        | 86                       |
| Additions   | 44           | 227  | 3                                     | 49                           | 29                     | 1                       | 250        | 603          | 111                      |
| Disposals   | -            | 427  | 1                                     | 468                          | 6                      | -                       | 90         | 992          | -                        |
| Transfers   | -            | -  | -                                     | -                            | -                      | -                       | -          | -            | (180)                    |
| <b>Closing gross carrying amount</b>              | <b>2,420</b> | <b>1,763</b>                                   | <b>159</b>                            | <b>768</b>                   | <b>580</b>             | <b>24</b>               | <b>557</b> | <b>6,271</b> | <b>17</b>                |
| <b>Accumulated depreciation</b>                   |              |  |                                       |                              |                        |                         |            |              |                          |
| Opening accumulated depreciation                  | 274          | 1,399  | 143                                   | 829                          | 430                    | 22                      | 129        | 3,226        | -                        |
| Depreciation charge during the year               | 41           | 328  | 7                                     | 67                           | 35                     | 1                       | 57         | 536          | -                        |
| Disposals   | -            | 426  | 1                                     | 467                          | 4                      | -                       | 44         | 942          | -                        |
| Transfers   | -            | -  | -                                     | -                            | -                      | -                       | -          | -            | -                        |
| <b>Closing accumulated depreciation</b>           | <b>315</b>   | <b>1,301</b>                                   | <b>149</b>                            | <b>429</b>                   | <b>461</b>             | <b>23</b>               | <b>142</b> | <b>2,820</b> | <b>-</b>                 |
| <b>Net carrying amount</b>                        | <b>2,105</b> | <b>462</b>                                     | <b>10</b>                             | <b>339</b>                   | <b>119</b>             | <b>1</b>                | <b>415</b> | <b>3,451</b> | <b>17</b>                |

## CWIP ageing schedule

| CWIP ageing (Projects in progress) | Outstanding for following periods from due date of payment |           |           | Total |
|------------------------------------|--|-----------|-----------|-------|
|                                    | Less than 1 year   | 1-2 years | 2-3 years |       |
| 31-Mar-23                          | 17   | -         | -         | 17    |
| 31-Mar-22                          | 86   | -         | -         | 86    |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## 4 Intangible assets

| Particulars                             | Other Intangible Assets<br>Software - External | Goodwill  |
|---|--|-----------|
| <b>Year ended 31 March 2022</b>         |  |           |
| Opening gross carrying amount           | 876  | 21        |
| Additions                               | 313  | -         |
| Disposals                               | 751  | -         |
| Transfers                               |  |           |
| <b>Closing gross carrying amount</b>    | <b>438</b>                                     | <b>21</b> |
| Accumulated amortization and impairment |  |           |
| Opening accumulated amortization        | 844  | -         |
| Amortization charge for the year        | 286  | -         |
| Disposals                               | 750  | -         |
| <b>Closing accumulated amortization</b> | <b>380</b>                                     | <b>-</b>  |
| <b>Closing net carrying amount</b>      | <b>58</b>                                      | <b>21</b> |
| <b>Year ended 31 March 2023</b>         |  |           |
| Opening gross carrying amount           | 438  | 21        |
| Additions                               | 458  | -         |
| Disposals                               | 620  | -         |
| <b>Closing gross carrying amount</b>    | <b>276</b>                                     | <b>21</b> |
| Accumulated amortization and impairment |  |           |
| Opening accumulated amortization        | 380  | -         |
| Amortization charge for the year        | 469  | -         |
| Disposals                               | 620  | -         |
| <b>Closing accumulated amortization</b> | <b>229</b>                                     | <b>-</b>  |
| <b>Closing net carrying amount</b>      | <b>47</b>                                      | <b>21</b> |

The disposal in acquired software represents write offs of certain software having gross carrying amount of Rs. 620 Mn (31 March 2022: Rs. 751 Mn), accumulated amortisation of Rs. 620 Mn (31 March 2022: Rs. 750 Mn) and net carrying amount of Nil (31 March 2022: 1 Mn).

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>5 Financial Assets</b>  |                        |                        |
| <b>5(i) Non-current investments</b>  |                        |                        |
| <b>Investments in equity instruments (fully paid)</b>  |                        |                        |
| Investment in Subsidiary Companies (unquoted):   |                        |                        |
| 2,837,887 (31 March 2022: 2,837,887) Shares having no par value in Coforge Inc. USA  | 156                    | 156                    |
| 16,614,375 (31 March 2022: 16,614,375) Shares of 1 Singapore \$ each fully paid-up in Coforge Pte Ltd., Singapore  | 703                    | 703                    |
| 3,276,427 (31 March 2022: 3,276,427) Shares of 1 UK Pound each fully paid-up in Coforge UK Ltd., UK  | 204                    | 204                    |
| 537,900 (31 March 2022: 537,900) Equity Shares of Euro 1 each fully paid-up in Coforge GmbH, Germany   | 185                    | 185                    |
| 50,000,000 (31 March 2022: 50,000,000) Equity Shares of Rs 10/- each fully paid-up in Coforge SmartServe Limited   | 500                    | 500                    |
| 1,000,000 (31 March 2022: 1,000,000) Equity Shares of Euro 1 each fully paid-up in Coforge Airline Technology GmbH, Germany  | 224                    | 224                    |
| 5,000 (31 March 2022: 5,000) Ordinary Shares of 1000 AED each fully paid in Coforge FZ LLC, Dubai  | 63                     | 63                     |
| 5,000,000 (31 March 2022: 5,000,000) Equity Shares of Rs. 10 each in Coforge Services Limited  | 25                     | 25                     |
| 4,047,631 (31 March 2022: 4,047,631) Equity Shares of Rs. 2 each in Coforge DPA Private Limited  | 4,701                  | 4,701                  |
| Nil (31 March 2022: Nil) Shares of Peso 100 each in NIIT Technologies Philippines Inc (Impaired and under liquidation)   | -                      | -                      |
| 2,13,779 (31 March 2022: 2,13,779) Equity Shares of Rs. 10 each in Coforge SF Private Limited (erstwhile Whishworks IT Consulting Private Limited)                           | 2,392                  | 2,392                  |
| 541,895 (31 March 2022: 541,895) Equity Shares of Rs. 10 each in Coforge Business Process Solutions Private Limited (Formerly known as SLK Global Solutions Private Limited) | 9,183                  | 9,183                  |
| <b>Total equity instruments</b>  | <b>18,336</b>          | <b>18,336</b>          |
| <b>Total non-current investments</b>   | <b>18,336</b>          | <b>18,336</b>          |
| Aggregate amount of unquoted investments   | 18,336                 | 18,336                 |
| Aggregate amount of impairment in value of investment  | -                      | -                      |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

| 5 (ii) Other Financial Assets  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
| <i>(i) Derivatives</i>   |                     |              |                     |              |
| Foreign exchange forward contracts   | 30                  | -            | 128                 | -            |
| <i>(ii) Others</i>   |                     |              |                     |              |
| Security deposits  |                     |              |                     |              |
| Considered good  | 46                  | 80           | 49                  | 46           |
| Considered doubtful  | -                   | 2            | -                   | 2            |
|  | 46                  | 82           | 49                  | 48           |
| Less : Provision for doubtful security deposits  | -                   | 2            | -                   | 2            |
| <b>Net security deposits</b>   | <b>46</b>           | <b>80</b>    | <b>49</b>           | <b>46</b>    |
| Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below] | -                   | 93           | -                   | 71           |
| Interest accrued on above deposits   | -                   | 2            | -                   | 5            |
| Others [Refer note 22]   | -                   | -            | 343                 | -            |
| Finance lease recoverable  | 12                  | 6            | 12                  | 18           |
| <b>Total other financial assets</b>  | <b>88</b>           | <b>181</b>   | <b>532</b>          | <b>140</b>   |

(a) Held as margin money by bank against bank guarantees.

## 5(iii) Trade Receivables

|   |              |            |              |            |
|---|--------------|------------|--------------|------------|
| Trade receivables   | 3,003        | 467        | 2,386        | 332        |
| Receivables from related parties [Refer note 29]  | 5,386        | -          | 2,369        | -          |
| Less: Allowance for doubtful debt   | (553)        | -          | (509)        | -          |
| <b>Total receivables</b>  | <b>7,836</b> | <b>467</b> | <b>4,246</b> | <b>332</b> |
| <b>Break-up of security details</b>   |              |            |              |            |
| Trade Receivables considered good - Secured   | -            | -          | -            | -          |
| Trade Receivables considered good - Unsecured   | 7,836        | 467        | 4,246        | 332        |
| Trade Receivables which have significant increase in Credit Risk  | -            | -          | -            | -          |
| Trade Receivables - credit impaired   | 553          | -          | 509          | -          |
| <b>Total</b>  | <b>8,389</b> | <b>467</b> | <b>4,755</b> | <b>332</b> |
| Allowance for doubtful debts  | (553)        | -          | (509)        | -          |
| <b>Total trade receivables</b>  | <b>7,836</b> | <b>467</b> | <b>4,246</b> | <b>332</b> |
| Trade receivables includes amounts yet to be billed to customers and dependent only on passage of time (unbilled) | 541          | 467        | 696          | 332        |

**Trade Receivables (Billed) ageing schedule - Outstanding for following periods from due date of payment**  
**Year ended 31 March 2023**

| Particulars   | Not yet due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|-------------|--------------------|-------------------|-----------|-----------|-------------------|-------|
| (i) Undisputed Trade receivables – considered good  | 5,261       | 1,577              | 99                | 62        | 98        | 61                | 7,158 |
| (ii) Undisputed Trade Receivables – credit impaired | -           | 10                 | 34                | 12        | 9         | 350               | 416   |
| (iii) Disputed Trade Receivables– considered good   | -           | -                  | -                 | -         | 76        | 61                | 137   |
| (iv) Disputed Trade Receivables – credit impaired   | -           | -                  | -                 | -         | 76        | 61                | 137   |



## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

## Year ended 31 March 2022

| Particulars   | Not yet due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|-------------|--------------------|-------------------|-----------|-----------|-------------------|-------|
| (i) Undisputed Trade receivables – considered good  | 2,665       | 608                | 77                | 59        | 4         | -                 | 3,413 |
| (ii) Undisputed Trade Receivables – credit impaired | -           | 1                  | 11                | 9         | 14        | 337               | 372   |
| (iii) Disputed Trade Receivables– considered good   | -           | -                  | -                 | 48        | 89        | -                 | 137   |
| (iv) Disputed Trade Receivables – credit impaired   | -           | -                  | -                 | 48        | 89        | -                 | 137   |

As at 31 March 2023, the Company has outstanding trade receivables of Rs 1,131 Mn (31 March 2022 Rs. 1,102 Mn) relating to Government customers in India [net of provision of Rs. 527 Mn (Previous year Rs. 508 Mn)]. The appropriateness of the allowance for doubtful trade 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.

During the previous year, one of the Indian government customers of the Company with whom the contract was executed during 2014, has deducted certain amounts. The Company, basis its assessment and legal advice, considers such deductions to be arbitrary and has disputed the same and is confident of resolving it favorably.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. No 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 29.

## 5(iv) Cash and cash equivalents

Balances with Banks

- in Current Accounts

- in EEFC account

## Total Cash and cash equivalents

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| - in Current Accounts                  | 962                 | 603                 |
| - in EEFC account                      | 410                 | 1                   |
| <b>Total Cash and cash equivalents</b> | <b>1,372</b>        | <b>604</b>          |

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

| Particulars   | As at 1 April 2022 | Cash Flow during the year |                |                | Finance charges accrued | Others       | As at 31 March 2023 |
|---|--------------------|---------------------------|----------------|----------------|-------------------------|--------------|---------------------|
|   |                    | Proceeds                  | Payment        | Net cash flows |                         |              |                     |
| Long term borrowings (including Current Maturities of long term debt)     | 3,367              | -                         | (2)            | (2)            | 17                      | -            | 3,382               |
| Dividend Payable (including Corporate Dividend Tax ) (Refer note 1 below) | 20                 | -                         | (3,534)        | (3,534)        | -                       | 3,537        | 23                  |
| Interest on borrowings  | 287                | -                         | (548)          | (548)          | 527                     | 30           | 296                 |
| Lease liability (Refer note 32)   | 162                | -                         | (94)           | (94)           | 29                      | 471          | 568                 |
|   | <b>3,836</b>       | -                         | <b>(4,178)</b> | <b>(4,178)</b> | <b>573</b>              | <b>4,038</b> | <b>4,269</b>        |

| Particulars   | As at 1 April 2021 | Cash Flow during the year |                |                | Finance charges accrued | Others       | As at 31 March 2022 |
|---|--------------------|---------------------------|----------------|----------------|-------------------------|--------------|---------------------|
|   |                    | Proceeds                  | Payment        | Net cash flows |                         |              |                     |
| Long term borrowings (including Current Maturities of long term debt)     | 10                 | 3,400                     | (50)           | 3,350          | 16                      | (9)          | 3,367               |
| Dividend Payable (including Corporate Dividend Tax ) (Refer note 1 below) | 17                 | -                         | (3,152)        | (3,152)        | -                       | 3,155        | 20                  |
| Interest on borrowings  | -                  | -                         | (162)          | (162)          | 440                     | 9            | 287                 |
| Lease liability (Refer note 32)   | 152                | -                         | (68)           | (68)           | 12                      | 66           | 162                 |
|   | <b>179</b>         | <b>3,400</b>              | <b>(3,432)</b> | <b>(32)</b>    | <b>468</b>              | <b>3,221</b> | <b>3,836</b>        |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

Note 1: Others include interim dividend accrued during the year.

|  | As at 31 March<br>2023 | As at 31 March<br>2022 |
|--|------------------------|------------------------|
| <b>5(v) Other bank balances</b>  |                        |                        |
| Unpaid dividend account  | 23                     | 20                     |
| <b>Total Bank Balances other than 5 (v) above</b>  | <b>23</b>              | <b>20</b>              |
| <b>6 Deferred tax assets</b>   | <b>3,057</b>           | <b>2,330</b>           |
| <b>Deferred tax assets</b>   |                        |                        |
| The balance comprise temporary differences attributable to:  |                        |                        |
| Provisions   | 246                    | 247                    |
| Employee benefit obligations   | 290                    | 239                    |
| Unexercised options  | 187                    | 194                    |
| Minimum alternate tax credit entitlement   | 2,495                  | 1,797                  |
| <b>Gross deferred tax assets (A)</b>   | <b>3,218</b>           | <b>2,477</b>           |
| Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation | (152)                  | (107)                  |
| Impact due to provisions and others  | -                      | 5                      |
| Derivatives  | 54                     | (29)                   |
| Others   | (63)                   | (16)                   |
| <b>Gross deferred tax liabilities (B)</b>  | <b>(161)</b>           | <b>(147)</b>           |
| <b>Net deferred tax assets (A-B)</b>   | <b>3,057</b>           | <b>2,330</b>           |

## Movement in Deferred Tax Assets

|  | Property,<br>plant and<br>equipment | Derivatives | Employee<br>benefits | Provisions | Minimum<br>Alternate<br>Tax Credit<br>Entitlement | Other<br>items | Total        |
|--|-------------------------------------|-------------|----------------------|------------|---|----------------|--------------|
| <b>At 31 March 2021</b>                        | <b>(110)</b>                        | <b>(31)</b> | <b>238</b>           | <b>239</b> | <b>894</b>  | <b>(3)</b>     | <b>1,227</b> |
| (charged)/credited:                            |                                     |             |                      |            |   |                |              |
| - to profit or loss                            | 3                                   | -           | (19)                 | 8          | -   | (7)            | (15)         |
| - MAT movement charged to current tax expenses | -                                   | -           | -                    | -          | 903   | -              | 903          |
| - retained earnings                            | -                                   | -           | 194                  | -          | -   | -              | 194          |
| - to profit or loss - exchange gain / (loss)   | -                                   | -           | 10                   | -          | -   | -              | 10           |
| - to other comprehensive income                | -                                   | 2           | 9                    | -          | -   | -              | 11           |
| <b>At 31 March 2022</b>                        | <b>(107)</b>                        | <b>(29)</b> | <b>432</b>           | <b>247</b> | <b>1,797</b>                                      | <b>(10)</b>    | <b>2,330</b> |
| (charged)/credited:                            |                                     |             |                      |            |   |                |              |
| - to profit or loss                            | (44)                                | -           | 37                   | (1)        | -   | (53)           | (61)         |
| - MAT movement charged to current tax expenses | -                                   | -           | (6)                  | -          | -   | -              | (6)          |
| - retained earnings                            | -                                   | -           | -                    | -          | 698   | -              | 698          |
| - to profit or loss - exchange gain / (loss)   | (1)                                 | -           | 5                    | -          | -   | -              | 4            |
| - to other comprehensive income                | -                                   | 83          | 9                    | -          | -   | -              | 92           |
| <b>At 31 March 2023</b>                        | <b>(152)</b>                        | <b>54</b>   | <b>477</b>           | <b>246</b> | <b>2,495</b>                                      | <b>(63)</b>    | <b>3,057</b> |

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

|   | As at 31 March 2023 |              | As at 31 March 2022 |              |
|---|---------------------|--------------|---------------------|--------------|
|   | Current             | Non- Current | Current             | Non- Current |
| <b>7 Other assets</b>                       |                     |              |                     |              |
| Capital Advances                            | -                   | 4            | -                   | 4            |
| Prepayments                                 | 508                 | 147          | 403                 | 168          |
| Contract cost (Refer Note (a) below)        | 329                 | 591          | 186                 | 465          |
| Value added tax recoverable                 | 7                   | -            | 30                  | -            |
| Goods and Services Tax (GST) - input credit | 72                  | -            | 247                 | -            |
| Other advances                              | 96                  | 20           | 54                  | 32           |
| <b>Total other current assets</b>           | <b>1,012</b>        | <b>762</b>   | <b>920</b>          | <b>669</b>   |

(a) Contract costs include Rs. 59 Mn (31 March 2022: Rs 70 Mn) as incremental cost of obtaining a contract and Rs. 861 (31 March 2022: Rs 581 Mn) Mn as cost incurred for fulfilling a contract with customers.

Other production expense, under other expenses include amortisation of contract costs amounting to Rs. 128 Mn (31 March 2022: Rs 91 Mn) . There is no impairment loss recognised during the current or previous year.

|  |           |            |           |            |
|--|-----------|------------|-----------|------------|
| <b>8 Contract Assets</b>                       |           |            |           |            |
| Contract assets                                | 60        | -          | 45        | -          |
| Less: Allowance for doubtful contract assets   | 28        | -          | 28        | -          |
| <b>Net contract assets</b>                     | <b>32</b> | <b>-</b>   | <b>17</b> | <b>-</b>   |
| <b>9 Income tax assets (net of provisions)</b> |           |            |           |            |
| Advance Income Tax                             | -         | 8,957      | -         | 7,314      |
| Less: Provision for income tax                 | -         | 7,879      | -         | 6,565      |
| Less: Tax expense for the year                 | -         | 839        | -         | 513        |
| <b>Total income tax assets</b>                 | <b>-</b>  | <b>239</b> | <b>-</b>  | <b>236</b> |

**10 Equity share capital and other equity****(a) Equity share capital****Authorized equity share capital**

|                            | Number of shares  | Amount     |
|----------------------------|-------------------|------------|
| <b>As at 31 March 2021</b> | <b>77,000,000</b> | <b>770</b> |
| Increase during the year   | -                 | -          |
| <b>As at 31 March 2022</b> | <b>77,000,000</b> | <b>770</b> |
| Increase during the period | -                 | -          |
| <b>As at 31 March 2023</b> | <b>77,000,000</b> | <b>770</b> |

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

|                            | Number of shares  | Amount     |
|----------------------------|-------------------|------------|
| <b>As at 01 April 2021</b> | <b>60,592,349</b> | <b>606</b> |
| Issue of Shares            | 320,803           | 3          |
| <b>As at 31 March 2022</b> | <b>60,913,152</b> | <b>609</b> |
| Issue of Shares            | 173,928           | 2          |
| <b>As at 31 March 2023</b> | <b>61,087,080</b> | <b>611</b> |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**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.

**Shares reserved for issue under options**

Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 33.

Details of shareholders holding more than 5% shares in the company

| Name of Shareholder                 | Equity Shares of Rs. 10 each fully paid |              |                    |              |
|-------------------------------------|---|--------------|--------------------|--------------|
|                                     | 31 March 2023                           |              | 31 March 2022      |              |
|                                     | No. of Shares held                      | % of Holding | No. of Shares held | % of Holding |
| Hulst B.V.                          | 18,421,260                              | 30.16%       | 24,421,260         | 40.09%       |
| AXIS Mutual Fund Trustee Limited    | 3,511,443                               | 5.75%        | 3,977,821          | 6.53%        |
| Life Insurance Corporation of India | 3,586,675                               | 5.87%        | 2,064,530          | 3.39%        |

**Details of shares held by Promoters\*****As at 31 March 2023**

| Promoter's Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % change during the year |
|-----------------|--|------------------------|--------------------------------------|--------------------------|
| Hulst B.V.      | 24,421,260                                 | (6,000,000)            | 18,421,260                           | -24.57%                  |

**As at 31 March 2022**

| Promoter's Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % change during the year |
|-----------------|--|------------------------|--------------------------------------|--------------------------|
| Hulst B.V.      | 38,771,260                                 | (14,350,000)           | 24,421,260                           | -37.01%                  |

\*As Defined under Companies Act, 2013

|                                       | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------------------|---------------------|---------------------|
| <b>11 Other equity</b>                |                     |                     |
| Capital redemption reserve            | 36                  | 36                  |
| Capital reserve                       | 6                   | 6                   |
| Securities premium                    | 635                 | 384                 |
| Share options outstanding             | 884                 | 575                 |
| General reserve                       | 1,623               | 1,623               |
| Retained earnings                     | 22,531              | 18,740              |
| Cash flow hedging reserve             | (173)               | 88                  |
| <b>Total other equity</b>             | <b>25,542</b>       | <b>21,452</b>       |
| <b>(i) Capital Redemption Reserve</b> |                     |                     |
| Opening balance                       | 36                  | 36                  |
| Increase/ decrease during the year    | -                   | -                   |
| <b>Closing Balance</b>                | <b>36</b>           | <b>36</b>           |
| <b>(ii) Capital Reserve</b>           |                     |                     |
| Opening Balance                       | 6                   | 6                   |
| Increase/ decrease during the year    | -                   | -                   |
| <b>Closing Balance</b>                | <b>6</b>            | <b>6</b>            |

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| <b>(iii) Securities Premium</b>  |                     |                     |
| Opening Balance  | 384                 | 39                  |
| Add: Transferred from employee stock option                                  | 235                 | 297                 |
| Add: Premium on shares issued for exercised options                          | 16                  | 48                  |
| <b>Closing balance</b>   | <b>635</b>          | <b>384</b>          |
| <b>(iv) Employee stock option</b>  |                     |                     |
| Options granted till date  | 575                 | 523                 |
| Less: Transferred to securities premium                                      | (235)               | (297)               |
| Add: Impact of fair valuation on employee stock options                      | 544                 | 349                 |
| <b>Closing balance</b>   | <b>884</b>          | <b>575</b>          |
| <b>(v) General reserve</b>   |                     |                     |
| Opening balance  | 1,623               | 1,623               |
| Increase/ decrease during the year   | -                   | -                   |
| <b>Closing balance</b>   | <b>1,623</b>        | <b>1,623</b>        |
| <b>(vi) Retained earnings</b>  |                     |                     |
| Opening balance  | 18,740              | 15,133              |
| Net profit for the period  | 7,325               | 6,445               |
| Items of other comprehensive income recognized directly in retained earnings |                     |                     |
| Add / (Less): Remeasurement gains on defined benefit plans                   | (30)                | (17)                |
| Add: Tax benefit on share based payment                                      | 33                  | 334                 |
| Less: Appropriations   |                     |                     |
| Dividends paid   | (3,537)             | (3,155)             |
| <b>Closing balance</b>   | <b>22,531</b>       | <b>18,740</b>       |

*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.

*Securities premium*

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

*Employee stock option*

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under Coforge Employee Stock Option Plan 2005 (erstwhile NIIT Technologies Employee Stock Option Plan 2005).

*Capital Reserve*

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.



## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**(vii) Other Reserves****Cash Flow Hedging Reserve**

|   |              |
|---|--------------|
| <b>As at 1 April 2021</b>                   | <b>85</b>    |
| Change in fair value of hedging instruments | 1            |
| Deferred tax                                | 2            |
| <b>As at 31 March 2022</b>                  | <b>88</b>    |
| Change in fair value of hedging instruments | (344)        |
| Deferred tax                                | 83           |
| <b>As at 31 March 2023</b>                  | <b>(173)</b> |

**Nature and purpose of other reserves***Cash flow hedging reserve*

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e., revenue, as described within Note 25. For hedging foreign currency risk, the Company 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.

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>12 Financial liabilities</b>   |                     |                     |
| <b>(a) Non Current Financial liabilities</b>                            |                     |                     |
| <b>(i) Borrowings</b>   |                     |                     |
| <b>Unsecured Loan</b>   |                     |                     |
| <b>Bonds</b>  |                     |                     |
| Listed, Rated, Redeemable, Non-Convertible Bonds [Refer note (a) below] | 3,382               | 3,365               |
| <b>Total non current borrowings</b>                                     | <b>3,382</b>        | <b>3,365</b>        |
| <b>Current financial liabilities</b>                                    |                     |                     |
| <b>Short term borrowings</b>  |                     |                     |
| <b>Current maturities of term loan</b>                                  |                     |                     |
| From Financial Institutions   | -                   | 2                   |
| <b>Total current borrowings</b>   | <b>-</b>            | <b>2</b>            |

(a) Listed, Rated, Redeemable, Non-Convertible Bonds are unsecured and have maturity of five years from the deemed date of allotment i.e April 26, 2021. Interest reset will occur on the dates falling three years and four years from the Deemed Date of Allotment. The Company may redeem the whole or any part of the Bonds on the first Interest Reset Date i.e. April 26, 2024 or anytime thereafter.

The effective interest rate of NCB for first three years is as follows:

If the Security Trigger occurs on a date falling on or prior to the date falling three years from the Deemed Date of Allotment- 7.49% - 8.39%.

In other case if the security trigger does not occur- 8.39% - 9.34%.

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

|  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
| <b>(ii) Lease liability</b>  |                     |              |                     |              |
| Lease Liability (Refer note 32)  | 94                  | 474          | 75                  | 87           |
|  | <b>94</b>           | <b>474</b>   | <b>75</b>           | <b>87</b>    |
| <b>(iii) Trade Payables</b>  |                     |              |                     |              |
| total outstanding dues of micro enterprises and small enterprises                      | 282                 | -            | 142                 | -            |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 2,737               | 102          | 2,547               | 127          |
| Trade payables to related parties (Refer note 29)                                      | 323                 | -            | 1,143               | -            |
| <b>Total Trade Payables</b>  | <b>3,342</b>        | <b>102</b>   | <b>3,832</b>        | <b>127</b>   |

There are no overdue amount payable to micro enterprises and small enterprises as at March 31, 2023 and March 31, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Trade Payables aging schedule (Billed) - Outstanding for following periods from due date of payment****As at 31 March 2023**

| Particulars | Not Due | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | Total |
|-------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME    | 282     | -                | -          | -         | -                 | 282   |
| (ii) Others | 867     | 1,548            | 9          | 5         | 12                | 2,441 |

**As at 31 March 2022**

| Particulars | Not Due | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | Total |
|-------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME    | -       | 142              | -          | -         | -                 | 142   |
| (ii) Others | 815     | 2,295            | 4          | -         | 9                 | 3,123 |

|  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
| <b>(iv) Other Financial Liabilities</b>          |                     |              |                     |              |
| Capital creditors                                | 409                 | -            | 98                  | -            |
| Interest accrued but not Due                     | 296                 | -            | 287                 | -            |
| Employee benefits payable                        | 1,510               | -            | 1,032               | -            |
| Unclaimed dividend                               | 23                  | -            | 20                  | -            |
| Others   | -                   | 112          | -                   | -            |
| <i>(i) Derivatives</i>                           |                     |              |                     |              |
| Foreign exchange forward contracts               | 258                 | -            | 14                  | -            |
| <b>Total other current financial liabilities</b> | <b>2,496</b>        | <b>112</b>   | <b>1,451</b>        | <b>-</b>     |

**13 Employee benefit obligations**

|                       | As at 31 March 2023 |             |            | As at 31 March 2022 |             |            |
|-----------------------|---------------------|-------------|------------|---------------------|-------------|------------|
|                       | Current             | Non Current | Total      | Current             | Non Current | Total      |
| Leave obligations (i) | 74                  | 330         | 404        | 41                  | 273         | 314        |
| Gratuity (ii)         | 15                  | 527         | 542        | -                   | 342         | 342        |
|                       | <b>89</b>           | <b>857</b>  | <b>946</b> | <b>41</b>           | <b>615</b>  | <b>656</b> |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## (i) Leave Obligations

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| Current leave obligations expected to be settled within next 12 months | 74                  | 41                  |

## (ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of completed service.

The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India.

## a) Balance sheet amounts - Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

|   | Present Value of Obligation | Fair Value of Plan Assets | Net Amount |
|---|-----------------------------|---------------------------|------------|
| <b>1 April 2021</b>   | <b>421</b>                  | <b>(193)</b>              | <b>228</b> |
| Current Service Cost  | 77                          | -                         | 77         |
| Interest expense/ (income)                                      | 28                          | (14)                      | 14         |
| <b>Total amount recognized in statement of profit or loss</b>   | <b>105</b>                  | <b>(14)</b>               | <b>91</b>  |
| <i>Remeasurements</i>   |                             |                           |            |
| Actuarial changes arising from changes in financial assumptions | (16)                        | -                         | (16)       |
| Experience adjustments  | 40                          | 3                         | 42         |
| <b>Total amount recognized in other comprehensive income</b>    | <b>24</b>                   | <b>3</b>                  | <b>27</b>  |
| Employer's Contributions  | -                           | (4)                       | (4)        |
| Benefit paid  | (84)                        | 84                        | -          |
| <b>31 March 2022</b>  | <b>466</b>                  | <b>(124)</b>              | <b>342</b> |

|   | Present Value of Obligation | Fair Value of Plan Assets | Net Amount |
|---|-----------------------------|---------------------------|------------|
| <b>1 April 2022</b>   | <b>466</b>                  | <b>(124)</b>              | <b>342</b> |
| Current Service Cost  | 146                         | -                         | 146        |
| Interest expense/ (income)                                      | 33                          | (9)                       | 24         |
| <b>Total amount recognized in statement of profit or loss</b>   | <b>179</b>                  | <b>(9)</b>                | <b>170</b> |
| <i>Remeasurements</i>   |                             |                           |            |
| Actuarial changes arising from changes in financial assumptions | (79)                        | -                         | (79)       |
| Experience adjustments  | 120                         | (1)                       | 119        |
| <b>Total amount recognized in other comprehensive income</b>    | <b>41</b>                   | <b>(1)</b>                | <b>40</b>  |
| Employer's Contributions  | -                           | (10)                      | (10)       |
| Benefit paid  | (84)                        | 84                        | -          |
| <b>31 March 2023</b>  | <b>602</b>                  | <b>(61)</b>               | <b>542</b> |

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

The net liability disclosed above relates to funded and unfunded plans as follows:

|  | As at 31 March<br>2023 | As at 31 March<br>2022 |
|--|------------------------|------------------------|
| Present value of defined benefit obligations | 602                    | 466                    |
| Fair value of plan assets                    | (61)                   | (124)                  |
| <b>Net defined benefit obligations</b>       | <b>542</b>             | <b>342</b>             |

**(b) Significant estimates: actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

|                               | As at 31 March<br>2023                   | As at 31 March<br>2022                   |
|-------------------------------|--|--|
| Discount rate                 | 7.41% p.a                                | 7.21% p.a                                |
| Future Salary increase        | 0% for next 2 years<br>and 5% thereafter | 7% for next 3 years<br>and 5% thereafter |
| Life expectancy               | 7.88 years                               | 11.54 Years                              |
| Rate of return on plan assets | 7.41% p.a                                | 7.21% p.a                                |

**(c) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

|                    | Change in assumptions |                 | 31 March 2023 |               | 31 March 2022 |               |
|--------------------|-----------------------|-----------------|---------------|---------------|---------------|---------------|
|                    | 31 March 2023         | 31 March 2022   | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| Discount rate      | 50 Basis Points       | 50 Basis Points | (18)          | (22)          | 19            | 23            |
| Salary growth rate | 50 Basis Points       | 50 Basis Points | 21            | 23            | (20)          | (22)          |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(d) The major categories of plan assets are as follows:**

|                            | 31 March 2023 |       |      | 31 March 2022 |       |      |
|----------------------------|---------------|-------|------|---------------|-------|------|
|                            | Quoted        | Total | in % | Quoted        | Total | in % |
| Insurance Company Products | 61            | 61    | 100% | 129           | 129   | 100% |

The following payments are expected contributions to the defined benefit plan in future years:

|               | Less than a year | Between<br>1 - 2 years | Between<br>2 - 5 years | Over<br>5 years | Total        |
|---------------|------------------|------------------------|------------------------|-----------------|--------------|
| 31 March 2023 | 72               | 66                     | 361                    | 1,115           | <b>1,613</b> |
| 31 March 2022 | 37               | 25                     | 151                    | 632             | <b>844</b>   |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**(iii) Defined benefit liability and employer contributions**

The Company monitors the funding levels on an annual basis and the current agreed contribution rate is 12% of the basic salaries in India.

**(iv) Defined contribution plans**

The Company makes contribution towards Superannuation Fund, Pension Fund, Employee State Insurance Fund and Overseas Plans (related to the branches in the United States of America, Ireland, Belgium and Switzerland), being defined contribution plans for eligible employees. The Company has charged the following amount in the Statement of Profit and Loss:

The expense recognized during the year towards defined contribution plan is as follows:

| <b>Amount recognized in the Statement of Profit and Loss</b> | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
|--|----------------------------|----------------------------|
| Superannuation fund paid to the Trust                        | 19                         | 14                         |
| Contribution plans (branches outside India)                  | 188                        | 204                        |
| Employees state insurance fund paid to the authorities       | 3                          | 3                          |
| Pension fund paid to the authorities                         | 169                        | 139                        |
| <b>Total</b>   | <b>378</b>                 | <b>360</b>                 |

**(v) Defined benefit plans**

Employees Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets

The Company contributed Rs.609 Mn (31 March 2022 Rs.314 Mn) during the year to the Trust, which has been charged to Statement of Profit and Loss.

| <b>Amount recognized in the Statement of Profit and Loss</b> | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
|--|----------------------------|----------------------------|
| Company contribution to the Trust                            | 609                        | 314                        |

| <b>(a) Amount of obligation as at the year end is determined as under</b> | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
|---|----------------------------|----------------------------|
|---|----------------------------|----------------------------|

| <b>Description</b>   | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
|--|----------------------------|----------------------------|
| Present value of obligation as at the beginning of the year  | 4,742                      | 3,798                      |
| Interest cost  | 435                        | 350                        |
| Current service cost   | 582                        | 295                        |
| Benefits paid  | (707)                      | (495)                      |
| Plan Participant's Contributions                             | 791                        | 461                        |
| Transfer In  | 593                        | 376                        |
| Actuarial gain on obligation                                 | (259)                      | (43)                       |
| <b>Present value of obligation as at the end of the year</b> | <b>6,177</b>               | <b>4,742</b>               |

**(b) Change in Plan Assets :**

| <b>Description</b>                           | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
|--|----------------------------|----------------------------|
| Plan assets at beginning at fair value       | 4,742                      | 3,798                      |
| Return on plan assets                        | 435                        | 350                        |
| Employer contributions                       | 582                        | 295                        |
| Benefits paid                                | (707)                      | (495)                      |
| Plan Participant's Contributions             | 791                        | 461                        |
| Transfers In                                 | 593                        | 376                        |
| Actuarial loss on plan assets                | (259)                      | (43)                       |
| <b>Plan assets at year end at fair value</b> | <b>6,177</b>               | <b>4,742</b>               |



## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

| (c) Amount of the obligation recognised in Balance Sheet :                | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>Description</b>  |                     |                     |
| Present value of the defined benefit obligation as at the end of the year | 6,177               | 4,742               |
| Fair value of plan assets at the end of the year                          | 6,177               | 4,742               |
| (Assets) recognized in the Balance Sheet                                  | -                   | -                   |

The fair value of the plan assets is in surplus, assets are set equal to the liabilities to ensure consistency with the PF trust act.

**(d) Principal actuarial assumptions at the Balance Sheet date**

|                                     |        |        |
|-------------------------------------|--------|--------|
| Discount Rate                       | 7.40%  | 7.2%   |
| <b>Attrition Rate</b>               |        |        |
| Age from 20-30 years                | 11.61% | 16.00% |
| 31-34                               | 11.61% | 10.00% |
| 35-44                               | 11.61% | 5.00%  |
| 45-50                               | 11.61% | 3.00%  |
| 51-54                               | 11.61% | 2.00%  |
| Age 55 & above                      | 11.61% | 1.00%  |
| Return on Assets for Exempt PF Fund | 7.32%  | 6.6%   |
| Long term EPFO Rate                 | 8.15%  | 8.1%   |

**(e) Description**

|  |       |      |
|--|-------|------|
| Experience adjustments on Plan Liabilities | (259) | (43) |
| Experience adjustments on Plan assets      | (259) | (43) |

**(f) Expected Contribution to the fund in the next year**

|     |     |
|-----|-----|
| 652 | 330 |
|-----|-----|

- (vi) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

|  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
| <b>14 Other current liabilities</b>                                |                     |              |                     |              |
| Advances from customers  | -                   | -            | 27                  | -            |
| Payroll taxes  | 1                   | -            | 148                 | -            |
| Statutory dues including provident fund and tax deducted at source | 544                 | -            | 437                 | -            |
| Contract liabilities   | 76                  | 59           | 90                  | 51           |
| <b>Total other current liabilities</b>                             | <b>621</b>          | <b>59</b>    | <b>702</b>          | <b>51</b>    |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>15 Revenue from operations</b>  |                             |                             |
| Sales of products  |                             |                             |
| Traded goods   | 438                         | 983                         |
| Sale of services   | 41,867                      | 32,149                      |
| <b>Total revenue from operations</b>   | <b>42,305</b>               | <b>33,132</b>               |
| <b>Timing of revenue recognition</b>   |                             |                             |
| Goods transferred at a point in time   | 438                         | 983                         |
| Services transferred over time   | 41,867                      | 32,149                      |
| <b>Total revenue from contracts with customers</b>   | <b>42,305</b>               | <b>33,132</b>               |
| Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price |                             |                             |
| Revenue as per contracted price  | 42,441                      | 32,918                      |
| Hedge (loss) / gain  | (130)                       | 215                         |
| Volume and other discount  | (6)                         | (1)                         |
| <b>Total Revenue from contract with customers</b>  | <b>42,305</b>               | <b>33,132</b>               |

Note : The Company deals in number of software and hardware items whose selling price vary from item to item. In view of voluminous data information relating to major items of sales have not been disclosed in the financial statements.

**Disclosures related to revenue from contract with customers****a. Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers by geography.

| Geography                      | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------------|-----------------------------|-----------------------------|
| Americas                       | 23,472                      | 20,849                      |
| India                          | 5,890                       | 4,147                       |
| Asia Pacific                   | 2,695                       | 1,698                       |
| Europe, Middle East and Africa | 10,248                      | 6,438                       |
| <b>Grand Total</b>             | <b>42,305</b>               | <b>33,132</b>               |

| <b>b. Particulars pertaining to contract assets (refer note 8)</b>                                       | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Balance at the beginning</b>  | <b>17</b>                   | <b>16</b>                   |
| Unbilled revenue classified to trade receivable upon billing to customer out of opening unbilled revenue | 17                          | 16                          |
| <b>c. Particulars pertaining to contract liabilities (deferred revenue) (refer note 15)</b>              | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| <b>Balance at the beginning</b>  | <b>141</b>                  | <b>149</b>                  |
| Revenue recognized during the year from opening deferred revenue   | 66                          | 149                         |

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

## d. Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in IndAS115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, fixed monthly / fixed capacity basis and transaction basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023, other than those meeting the exclusion criteria mentioned above, is Rs. 942 Mn (Previous Year Rs. 97 Mn). Out of this, the Company expects to recognize revenue of around Rs. 825 Mn (Previous Year Rs. 95 Mn) within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>16 Other Income</b>  |                             |                             |
| Dividend income from investment in mutual funds   | -                           | 2                           |
| Interest Income from financial assets at amortised cost   | 43                          | 25                          |
| Income on Financial Investments at fair value through profit and loss - mutual funds  |                             | -                           |
| Finance income  | 43                          | 27                          |
| Dividend Income from investment in subsidiaries   | 4,758                       | 3,473                       |
| Net foreign exchange gains  | 116                         | 93                          |
| Other items   |                             |                             |
| Recovery from subsidiaries for common corporate expenses  | 875                         | 320                         |
| Miscellaneous income  | 87                          | 92                          |
| <b>Total other income</b>   | <b>5,879</b>                | <b>4,005</b>                |
| <b>17 Employee benefits expense</b>   |                             |                             |
| Salaries, wages and bonus   | 26,561                      | 20,297                      |
| Contribution to provident and other funds   | 1,021                       | 674                         |
| Employee share-based payment expense  | 470                         | 301                         |
| Gratuity  | 171                         | 91                          |
| Staff welfare expenses (Refer note below)   | 643                         | 202                         |
| <b>Total employee benefit expense</b>   | <b>28,866</b>               | <b>21,565</b>               |
| Employee benefit expenses includes Rs. 465 Mn towards special non-monetary incentive awarded to the employees of the Company on achievement of certain milestone of revenue by Group in the current financial year. The corresponding liability is included in the other financial liability. |                             |                             |
| <b>18 Depreciation and amortization expense</b>   |                             |                             |
| Depreciation of property, plant and equipment (Refer note 3)  | 537                         | 505                         |
| Depreciation of right of use assets (Refer note 32)   | 81                          | 47                          |
| Amortisation of intangible assets (Refer note 4)  | 469                         | 286                         |
| <b>Total depreciation and amortization expense</b>  | <b>1,087</b>                | <b>838</b>                  |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>19 Other expenses</b>  |                             |                             |
| Rental charges [Refer note 32]                                  | 74                          | 64                          |
| Rates and taxes   | 1                           | 10                          |
| Electricity and water charges                                   | 95                          | 81                          |
| Telephone and communication charges                             | 91                          | 100                         |
| Legal and professional fees                                     | 269                         | 338                         |
| Travelling and conveyance                                       | 372                         | 70                          |
| Recruitment   | 320                         | 456                         |
| Insurance   | 51                          | 53                          |
| Repairs and maintenance   |                             |                             |
| - Plant and machinery   | 219                         | 390                         |
| - Buildings   | 1                           | 1                           |
| - Others  | 98                          | 79                          |
| Allowance for doubtful debts and unbilled revenue               | 28                          | 1                           |
| Payment to auditors (Refer note 20 (a))                         | 14                          | 20                          |
| Advertisement and publicity                                     | 27                          | 33                          |
| Business promotion  | 34                          | 6                           |
| Professional charges  | 5,088                       | 3,934                       |
| Equipment hiring  | 1                           | 5                           |
| Other production expenses (incl. third party license cost)      | 1,582                       | 562                         |
| Loss on sales of assets (net)                                   | 13                          | -                           |
| Corporate social responsibility expenditure (Refer note 20 (b)) | 64                          | 56                          |
| Miscellaneous expenses  | 88                          | 63                          |
| <b>Total other expenses</b>                                     | <b>8,530</b>                | <b>6,322</b>                |
| <b>19(a)Details of payments to auditors</b>                     |                             |                             |
| <b>Payments to auditors (excluding taxes)</b>                   |                             |                             |
| <b>As auditor:</b>  |                             |                             |
| Audit Fee   | 12                          | 18                          |
| Tax audit Fee   | -                           | -                           |
| <b>In other capacities:</b>                                     |                             |                             |
| Certification fees  | 1                           | 1                           |
| Re-imburement of expenses                                       | 1                           | 1                           |
| <b>Total payments to auditors</b>                               | <b>14</b>                   | <b>20</b>                   |

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>19 (b) Corporate social responsibility expenditure</b>                 |                             |                             |
| Expenditure for COVID care  | -                           | 27                          |
| Contribution to NIIT University   | -                           | 26                          |
| Contribution to Government Schools / Others                               | 64                          | 3                           |
| <b>Total</b>  | <b>64</b>                   | <b>56</b>                   |
| Amount required to be spent as per Section 135 of the Companies Act, 2013 | 76                          | 61                          |
| Amount spent during the year on:  |                             |                             |
| On purpose other than Construction/ acquisition of an asset               | 66                          | 56                          |
| Amount set off from excess spent during previous year                     | 4                           | 5                           |
| Unspent during the year   | 6                           | -                           |

As per Section 135 of the Companies Act, 2013, the Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

During the year ended 31 March 2023, the Company has set off Rs. 4 Mn of CSR obligation for the year which was excess spent by the Company during the Year ended 31 March 2022 as per the Companies CSR (Policy) Amendment Rules 2021.

During the year ended 31 March 2023, the Company has an unspent amount of CSR obligation, amounting to Rs. 6 Mn, which the company has transferred into a separate bank account as per the Companies CSR (Policy) Amendment Rules 2021.

**19(c)** Expenses recognized during the year are net of recoveries towards common services at cost from domestic subsidiaries amounting to Rs 9.6 Mn (31 March 2022 - Rs. 8.6 Mn).

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>20 Finance costs</b>   |                             |                             |
| Interest and finance charges on financial liabilities not at fair value through profit or loss: |                             |                             |
| on term loans from Bank / Financial Institution   | 544                         | 456                         |
| Bank and financial charges  | 14                          | 18                          |
| Unwinding of discounts  | 30                          | 44                          |
| <b>Total Finance costs</b>  | <b>588</b>                  | <b>518</b>                  |
| <b>21 Exceptional Item</b>  |                             |                             |
| <b>Total</b>  | <b>523</b>                  | <b>-</b>                    |

The shareholders in the Annual General Meeting held on July 30, 2021, approved raising of funds by the issuance of equity shares and/or depository receipts and/or other eligible securities in the US markets ("Offering"). In accordance with the underlying arrangements, the expenses pertaining to the offering are to be borne by the Selling Shareholder upon successful completion of the Offering. Accordingly, Rs. 523 Mn was considered as recoverable from the selling shareholder.

Currently the market conditions are not supportive of the offering, thus the Group during the current quarter, has recorded provision of Rs. 523 Mn and disclosed as exceptional item.



## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**22 Income tax expense**

This note provides an analysis of the Company's income tax expense, show 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 Company's tax positions.

**(a) Income tax expense***Current tax*

|  |            |            |
|--|------------|------------|
| Current tax on operating profits of the period | 1,528      | 1,408      |
| Adjustments for current tax of prior periods   | 9          | 8          |
| (Increase) in Minimum Alternate Tax Credit     | (698)      | (903)      |
| <b>Total current tax expense</b>               | <b>839</b> | <b>513</b> |

*Deferred tax*

|  |           |             |
|--|-----------|-------------|
| Increase in deferred tax assets  | 55        | (41)        |
| Tax on (income)/expense during the period recognized on Ind AS adjustments | 6         | (2)         |
| <b>Total deferred tax expense/(benefit)</b>                                | <b>61</b> | <b>(43)</b> |

**Income tax expense****900** **470****(b) Amount recognised directly in equity outside profit or loss**

|                    |    |     |
|--------------------|----|-----|
| Deferred tax asset | 33 | 334 |
|--------------------|----|-----|

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

|  |              |              |
|--|--------------|--------------|
| Profit from continuing operations before income tax expense            | 8,225        | 6,915        |
| <b>Tax at the Indian tax rate of 34.944% (for FY 2021-22: 34.944%)</b> | <b>2,874</b> | <b>2,416</b> |

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

**Impact of deductions**

|   |       |       |
|---|-------|-------|
| Effect of tax holiday benefits                | (824) | (728) |
| Taxes pertaining to branches - net of credits | 141   | 189   |
| Others  | -     | 2     |

**Impact of permanent differences**

|  |         |         |
|--|---------|---------|
| Tax effect due to non-taxable income for indian tax purposes | (1,663) | (1,214) |
| Expenses to the extent disallowable                          | 199     | 15      |
| Tax provision for current tax of prior periods               | 52      | (71)    |
| Others   | 22      | 7       |

**Others**

|                                  |            |            |
|----------------------------------|------------|------------|
| Effect of differential tax rates | 99         | (146)      |
| <b>Income tax expense</b>        | <b>900</b> | <b>470</b> |

The Company determines taxes on income in accordance with the applicable provisions of Income Tax Act, 1961 ("Act"). The Company also claims deductions under sections 10AA and 80 IAB in respect of its Unit and Developer Operations, respectively, in Special Economic Zone (SEZ). The payments under Minimum Alternate Tax (MAT) can be carried forward and can be set off against future tax liability. Accordingly, a sum of Rs. 2,495 mn (Previous Year Rs. 1,798 mn) has been shown under "Deferred tax assets". Further, during the year, the Company has created MAT credit of Rs. 698 mn (Previous Year created Rs. 904 mn).

In addition to Indian operations, the Company has accounted for the tax liability/reliefs in respect of its branches having operations in the United States of America (USA), Ireland, Belgium and Switzerland in accordance with the tax legislations applicable in the respective jurisdiction.

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

## 23 Fair value measurements

Financial instruments by category:

|                                    | 31 March 2023 |            |                |                 |              |
|------------------------------------|---------------|------------|----------------|-----------------|--------------|
|                                    | FVTPL         | FVTOCI     | Amortized Cost | Carrying amount | Fair value   |
| <b>Financial assets</b>            |               |            |                |                 |              |
| Trade and other receivables        | -             | -          | 467            | 467             | 467          |
| Derivative instruments             | -             | 30         | -              | 30              | 30           |
| Other long-term financial assets   | -             | -          | 181            | 181             | 181          |
| <b>Total Financial assets</b>      | <b>-</b>      | <b>30</b>  | <b>648</b>     | <b>678</b>      | <b>678</b>   |
| <b>Financial liabilities</b>       |               |            |                |                 |              |
| Non-current borrowings             | -             | -          | 3,382          | 3,382           | 3,382        |
| Trade and other payables           | -             | -          | 102            | 102             | 102          |
| Derivative instruments             | -             | 258        | -              | 258             | 258          |
| <b>Total Financial liabilities</b> | <b>-</b>      | <b>258</b> | <b>3,484</b>   | <b>3,742</b>    | <b>3,742</b> |

|                                    | 31 March 2022 |            |                |                 |              |
|------------------------------------|---------------|------------|----------------|-----------------|--------------|
|                                    | FVTPL         | FVTOCI     | Amortized Cost | Carrying amount | Fair value   |
| <b>Financial assets</b>            |               |            |                |                 |              |
| Trade and other receivables        | -             | -          | 332            | 332             | 332          |
| Derivative instruments             | -             | 128        | -              | 128             | 128          |
| Other long-term financial assets   | -             | -          | 140            | 140             | 140          |
| <b>Total Financial assets</b>      | <b>-</b>      | <b>128</b> | <b>472</b>     | <b>600</b>      | <b>600</b>   |
| <b>Financial liabilities</b>       |               |            |                |                 |              |
| Non-current borrowings             | -             | -          | 3,365          | 3,365           | 3,365        |
| Trade and other payables           | -             | -          | 127            | 127             | 127          |
| Derivative instruments             | -             | 14         | -              | 14              | 14           |
| <b>Total Financial liabilities</b> | <b>-</b>      | <b>14</b>  | <b>3,492</b>   | <b>3,506</b>    | <b>3,506</b> |

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

Investments in equity instruments (Unquoted) are carried at cost

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate.

**(i) Fair value hierarchy**

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

- recognized and measured at fair value, and
- 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 Company has classified its financial instruments into the three levels prescribed under the accounting standard.

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

An explanation of each level follows underneath the table.

| Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2023 | Level 1 | Level 2    | Level 3 | Total      |
|--|---------|------------|---------|------------|
| <b>Financial assets</b>  |         |            |         |            |
| <i>Derivatives designated as hedges</i>  |         |            |         |            |
| Derivative Financial Asset   | -       | 30         | -       | 30         |
| <b>Total financial assets</b>  | -       | <b>30</b>  | -       | <b>30</b>  |
| <b>Financial Liability</b>   |         |            |         |            |
| <i>Derivatives designated as hedges</i>  |         |            |         |            |
| Derivative Financial Liability   | -       | 258        | -       | 258        |
| <b>Total financial Liability</b>   | -       | <b>258</b> | -       | <b>258</b> |

| Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2022 | Level 1 | Level 2    | Level 3 | Total      |
|--|---------|------------|---------|------------|
| <b>Financial assets</b>  |         |            |         |            |
| <i>Derivatives designated as hedges</i>  |         |            |         |            |
| Derivative Financial Asset   | -       | 128        | -       | 128        |
| <b>Total financial assets</b>  | -       | <b>128</b> | -       | <b>128</b> |
| <b>Financial Liability</b>   |         |            |         |            |
| <i>Derivatives designated as hedges</i>  |         |            |         |            |
| Derivative Financial Liability   | -       | 14         | -       | 14         |
| <b>Total financial Liability</b>   | -       | <b>14</b>  | -       | <b>14</b>  |

All other assets and liabilities are measured at amortised cost

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 net asset value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company-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 Company'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) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

**24 (i) Hedging activities and derivatives**

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 March 2023, the Company hedged 75% (31 March 2022: 75%), of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The Company is holding the following foreign exchange forward contracts (highly probable forecasted sales)

**As at March 31, 2023**

| Particulars          | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | Total  |
|----------------------|-------------------|---------------|---------------|---------------|----------------|--------|
| USD /INR             |                   |               |               |               |                |        |
| Notional amount      | 889               | 2,012         | 2,788         | 2,450         | 2,141          | 10,281 |
| Average forward rate | 80.59             | 81.30         | 82.49         | 83.84         | 83.98          | 82.71  |
| GBP /INR             |                   |               |               |               |                |        |
| Notional amount      | 405               | 1,173         | 1,417         | 1,477         | 1,358          | 5,829  |
| Average forward rate | 99.95             | 100.25        | 98.38         | 100.50        | 102.86         | 100.42 |
| EUR /INR             |                   |               |               |               |                |        |
| Notional amount      | 33                | 66            | 145           | 130           | 116            | 490    |
| Average forward rate | 86.86             | 86.97         | 86.36         | 88.48         | 91.91          | 88.30  |

**As at March 31, 2022**

| Particulars          | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | Total |
|----------------------|-------------------|---------------|---------------|---------------|----------------|-------|
| USD /INR             |                   |               |               |               |                |       |
| Notional amount      | 591               | 1,242         | 1,644         | 1,462         | 1,198          | 6,137 |
| Average forward rate | 76.77             | 76.60         | 77.23         | 78.20         | 78.27          | 75.90 |
| GBP /INR             |                   |               |               |               |                |       |
| Notional amount      | 153               | 407           | 481           | 438           | 386            | 1,865 |
| Average forward rate | 105.14            | 104.50        | 104.66        | 104.72        | 104.58         | 99.83 |
| EUR /INR             |                   |               |               |               |                |       |
| Notional amount      | 42                | 82            | 108           | 84            | 68             | 384   |
| Average forward rate | 89.38             | 88.70         | 89.27         | 89.17         | 89.50          | 84.22 |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

The impact of the hedging instruments on the balance sheet is, as follows:

| Foreign exchange forward contracts | Notional amount | Carrying amount | Line item in the statement of financial position                    | Change in fair value used for measuring ineffectiveness for the period |
|------------------------------------|-----------------|-----------------|---|--|
| At 31 March 2023                   | 16,600          | (228)           | Derivative instruments under current financial assets / liabilities | -  |
| At 31 March 2022                   | 8,386           | 114             | Derivative instruments under current financial assets / liabilities | -  |

**Impact of hedging activities**

(a) Disclosure of effects of hedge accounting on financial position:

| Type of hedge and risks  | As at 31 March 2023                   |             |                          | As at 31 March 2022                   |             |                          |
|--|---------------------------------------|-------------|--------------------------|---------------------------------------|-------------|--------------------------|
|  | Carrying amount of hedging instrument |             | Maturity period          | Carrying amount of hedging instrument |             | Maturity period          |
|  | Assets                                | Liabilities |                          | Assets                                | Liabilities |                          |
| Cash flow hedge<br>Foreign exchange risk<br>Foreign exchange forward contracts | 30                                    | 258         | April 2022 to March 2023 | 128                                   | 14          | April 2022 to March 2023 |

(b) Disclosure of effects of hedge accounting on financial performance

|                       | Change in the value of hedging instrument recognised in other comprehensive income* |                          | Amount reclassified from cash flow hedging reserve to profit or loss |                          | Line item affected in statement of profit and loss because of the reclassification |                          |
|-----------------------|---|--------------------------|--|--------------------------|--|--------------------------|
|                       | Year ended 31 March 2023  | Year ended 31 March 2022 | Year ended 31 March 2023   | Year ended 31 March 2022 | Year ended 31 March 2023   | Year ended 31 March 2022 |
| Cash flow hedge       |   |                          |  |                          |  |                          |
| Foreign exchange risk | (261)   | 3                        | (130)  | 215                      | Revenue  | Revenue                  |

\*The resultant impact on the cash flow hedge reserve for the year ended 31 March 2023 and 31 March 2022; on account of changes in the fair value has been reconciled in Note No. 11.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

**25 Financial risk management**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The borrowing of the Company constitute mainly Non Convertible Bonds (NCB). All the finances are made out of internal accruals. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.



## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss and derivative financial instruments.

**- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has issued non-convertible bonds during the previous year with fixed interest rate for the next 2 years and accordingly there is no significant concentration of interest rate risk (Refer note 13).

**- Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Unhedged foreign currency exposure**

Non-derivative foreign currency exposure as of 31 March, 2023 and 31 March 2022 in major currencies is as below:

| Currencies | Net financial Assets   |                        | Net financial Liabilities |                        |
|------------|------------------------|------------------------|---------------------------|------------------------|
|            | As at<br>31 March 2023 | As at<br>31 March 2022 | As at<br>31 March 2023    | As at<br>31 March 2022 |
| USD/INR    | 2,277                  | 911                    | 243                       | 89                     |
| GBP/INR    | 2,161                  | 934                    | 0                         | 0                      |
| EURO/INR   | 76                     | 54                     | 0                         | 0                      |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Currencies                 | Impact on Profit after Tax  |                             | Impact on other components of equity |                             |
|----------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------|
|                            | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 | Year ended<br>31 March 2023          | Year ended<br>31 March 2022 |
| <b>USD Sensitivity</b>     |                             |                             |                                      |                             |
| INR/USD - Increase by 1%*  | 14                          | 2                           | 1                                    | 0                           |
| INR/USD - Decrease by 1%*  | (14)                        | (2)                         | (1)                                  | (0)                         |
| <b>EUR Sensitivity</b>     |                             |                             |                                      |                             |
| INR/EUR - Increase by 1% * | 2                           | 1                           | 0                                    | 0                           |
| INR/EUR - Decrease by 1% * | (2)                         | (1)                         | (0)                                  | (0)                         |
| <b>GBP Sensitivity</b>     |                             |                             |                                      |                             |
| INR/GBP - Increase by 1% * | 22                          | 9                           | 2                                    | 1                           |
| INR/GBP - Decrease by 1% * | (22)                        | (9)                         | (2)                                  | (1)                         |

\*Holding all other variables constant

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**(b) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade Receivables**

The customers of the Company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The Company in the normal course of business sells certain trade receivables to banks. Under the terms of arrangements, the Group surrenders control over these assets and transfer is on a non-recourse basis.

The following table gives the movement in allowance for expected credit loss for the year ended March 31, 2023:

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Balance at the beginning</b>                              | <b>537</b>                  | <b>525</b>                  |
| Impairment loss recognized/(reversed)                        | 28                          | 1                           |
| Transfer from provision for customer contract/ other expense | 16                          | 11                          |
| Amounts written off  | -                           | -                           |
| <b>Balance at the end*</b>                                   | <b>581</b>                  | <b>537</b>                  |

\* Closing balance includes trade receivable Rs. 553 Mn (31 March 2022 Rs. 509 Mn) and contract assets Rs. 28 Mn (31 March 2022 Rs. 28 Mn).

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments

**(c) Liquidity Risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts based on the expected cash flows.

**Maturities of financial liabilities**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:

| Particulars  | Less than 1 year | 1 -2 years | 2-4 Years    | 4-8 Years  | Total         |
|--|------------------|------------|--------------|------------|---------------|
| Borrowings   | -                | -          | 3,382        | -          | 3,382         |
| Trade Payables                                     | 3,342            | 23         | 50           | 29         | 3,444         |
| Lease Liability                                    | 94               | 93         | 220          | 161        | 568           |
| Other Financial Liabilities (excluding Borrowings) | 2,496            | 15         | 63           | 33         | 2,607         |
|  | <b>5,932</b>     | <b>131</b> | <b>3,716</b> | <b>223</b> | <b>10,002</b> |

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022:

| Particulars  | Less than 1 year | 1 -2 years | 2-4 Years    | 4-8 Years | Total        |
|--|------------------|------------|--------------|-----------|--------------|
| Borrowings   | 2                | -          | 3,365        | -         | 3,367        |
| Trade Payables                                     | 3,832            | 23         | 50           | 54        | 3,959        |
| Lease Liability                                    | 75               | 63         | 18           | 6         | 162          |
| Other Financial Liabilities (excluding Borrowings) | 1,451            | -          | -            | -         | 1,451        |
|  | <b>5,360</b>     | <b>86</b>  | <b>3,433</b> | <b>60</b> | <b>8,939</b> |

## 26 Capital Management

## a) Risk management

For the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the shareholders. The primary objectives of the Company's capital management are to maximise the shareholder value and safeguard their ability to continue as a going concern. The Company has outstanding Non Convertible Bonds (NCB) (refer note 13). The Company has complied with the financial covenants attached with above stated borrowings throughout the reporting period. The funding requirements are generally met through operating cash flows generated. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

## b) Dividends

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Equity Shares   |                             |                             |
| During the year the directors have recommended the payment of Interim dividend.   | 2,745                       | 2,367                       |
| Dividends not recognised at the end of reporting period   |                             |                             |
| In addition to the above dividends, the directors have recommended the payment of Interim dividend of Rs. 19 per fully paid up equity share each on 27 April 2023 (31 March 2022 Rs. 13 per share). | 1,161                       | 792                         |

## 27 Related parties where control exists

## Interest in Subsidiaries

The Company's subsidiaries at 31 March 2023 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 31 March 2023                    | As at 31 March 2022 | As at 31 March 2023                                     | As at 31 March 2022 |  |
|         | <b>Direct subsidiaries</b> |   |  |                     |   |                     |  |
| 1       | Coforge SmartServe Limited | India                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 2       | Coforge Services Limited   | India                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 3       | Coforge U.K. Limited       | United Kingdom                              | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 4       | Coforge Pte Limited        | Singapore                                   | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |

## Notes to the Standalone Financial Statements

(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 31 March 2023                    | As at 31 March 2022 | As at 31 March 2023                                     | As at 31 March 2022 |   |
| 5                            | Coforge DPA Private Ltd.   | India                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 6                            | Coforge GmbH   | Germany                                     | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 7                            | Coforge Inc.   | USA   | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 8                            | Coforge Airline Technologies GmbH  | Germany                                     | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 9                            | Coforge FZ LLC   | Dubai                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 10                           | NIIT Technologies Philippines Inc (under liquidation)  | Philippines                                 | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 11                           | Coforge SF Private Limited (erstwhile Whishworks IT Consulting Private Limited)  | India                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 12                           | Coforge Business Process Solutions Private Limited (Erstwhile SLK Global Solutions Pvt Limited) w.e.f. April 28, 2021      | India                                       | 60                                     | 60                  | 40  | 40                  | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| <b>Stepdown subsidiaries</b> |  |   |  |                     |   |                     |   |
| 13                           | Coforge BV (Wholly owned by Coforge U.K. Ltd.)   | Netherlands                                 | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 14                           | Coforge Limited (Wholly owned by Coforge Pte Ltd., Singapore)  | Thailand                                    | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 15                           | Coforge Technologies (Australia) Pty Ltd. (Wholly owned by Coforge Pte Ltd., Singapore)                                    | Australia                                   | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 16                           | Coforge Advantage Go (Wholly owned by Coforge U.K. Ltd., UK)   | United Kingdom                              | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 17                           | Coforge S.A. (Wholly owned by Coforge U.K. Ltd.)   | Spain                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 18                           | 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/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 19                           | Coforge DPA UK Ltd. (Wholly owned by Coforge DPA Private Ltd.)   | United Kingdom                              | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 20                           | Coforge DPA Ireland Limited (Wholly owned by Coforge DPA Private Ltd.)   | Ireland                                     | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 21                           | Coforge DPA Australia Pty Ltd. (Wholly owned by Coforge DPA Private Ltd.)  | Australia                                   | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 22                           | Coforge DPA NA Inc. USA (Wholly owned by Coforge DPA Private Ltd.)   | USA   | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 23                           | Coforge SF Limited, UK (Wholly owned by Coforge SF Private Limited India)  | United Kingdom                              | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |

## Notes to the Standalone Financial Statements.

(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 31 March 2023                    | As at 31 March 2022 | As at 31 March 2023                                     | As at 31 March 2022 |  |
| 24      | COFORGE (Coforge Spółka Z Ograniczona Odpowiedzialnoscia)(Wholly owned by Coforge U.K. Ltd.)  | Poland                                      | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 25      | Coforge S.R.L., Romania (Wholly owned by Coforge U.K. Limited)  | Romania                                     | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 26      | Coforge A.B. Sweden (Wholly owned by Coforge U.K. Limited)  | Sweden                                      | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 27      | Coforge SDN. BHD. Malaysia , (Wholly owned by Coforge Pte Ltd.)   | Malaysia                                    | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 28      | Coforge SpA, Chile (Wholly owned by Coforge U.K. Ltd., UK)  | Chile                                       | 100                                    | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 29      | Coforge BPS Philippines Inc (Erstwhile SLK Global Philippines Inc, Philippines) (wholly owned subsidiary of Coforge Business Process Solutions Private Limited w.e.f. April 28, 2021) | Philippines                                 | 60                                     | 60                  | 40  | 40                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 30      | Coforge BPS America Inc. (Erstwhile SLK Global Solutions America Inc., USA) (wholly owned subsidiary of Coforge Business Process Solutions Private Limited w.e.f. April 28, 2021)     | USA   | 60                                     | 60                  | 40  | 40                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 31      | Coforge BPS North Carolina LLC Erstwhile SLK Global North Carolina LLC, USA) (wholly owned subsidiary of Coforge Business Process Solutions Private Limited w.e.f. April 28, 2021)    | USA   | 60                                     | 60                  | 40  | 40                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 32      | Coforge Healthcare Digital Automation LLC (Subsidiary of Coforge BPM Inc. w.e.f. January 21, 2022)  | USA   | 55                                     | 55                  | 45  | 45                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 33      | Coforge Japan GK (Wholly owned by Coforge U.K. Ltd., UK) w.e.f. 7th March 2023  | Japan                                       | 100                                    | -                   | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 34      | Coforge Solutions Private Limited (Wholly owned by Coforge DPA Private Ltd.)w.e.f. 29th June 2022   | India                                       | 100                                    | -                   | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |

**28 Related party transactions**

Coforge Limited's principal related parties consist of Investor with significant influence i.e Hulst B.V., Netherlands, its own subsidiaries and key managerial personnel. 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.

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

**Ultimate Holding Company**

Baring Private Equity Asia Holding (till 15 December 2021)

**Holding Company**

Hulst B.V., Netherlands (till 15 December 2021)

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**Investor with significant influence**

Hulst B.V., Netherlands (w.e.f. 16 December 2021)

**Interest in Subsidiaries**

Refer note 28

**A List of related parties with whom the Company has transacted:****1) Key Managerial personnel**

Sudhir Singh, Chief Executive Officer &amp; Executive Director

Ajay Kalra, Chief Financial Officer

Lalit Kumar Sharma, Company Secretary &amp; Legal Counsel (till July 31, 2021)

Barkha Sharma, Company Secretary (w.e.f. August 1, 2021)

**2) Non Executive Director**

Patrick John Cordes

Kenneth Tuck Kuen Cheong

Hari Gopalakrishnan

Ashwani Puri

Basab Pradhan

Holly J. Morris (till Mar 31, 2022)

Mary Beth Boucher (w.e.f. May 7, 2022)

Kirti Ram Hariharan

**3) List of other related parties**

| Particulars                                     | Country | Nature of relationship       |
|---|---------|------------------------------|
| 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. Transaction with related parties**

| Nature of Transactions   | Holding Company/<br>Investor with<br>significant influence | Subsidiaries | Total    |
|--|--|--------------|----------|
| Rendering of services  |  | 36,155       | 36,155   |
|  | -  | (28,691)     | (28,691) |
| Receiving of services  |  | 721          | 721      |
|  | -  | (722)        | (722)    |
| Recovery of expenses by the Company (Including those from overseas subsidiaries) |  | 508          | 508      |
|  | -  | (279)        | (279)    |
| Recovery of expenses from the Company  |  | 112          | 112      |
|  | -  | (99)         | (99)     |
| Investments made   |  | -            | -        |
|  | -  | (9,912)      | (9,912)  |
| Recovery for common corporate expenses   |  | 521          | 521      |
|  | -  | (367)        | (367)    |
| Other Income   |  | 410          | 410      |
|  | -  | (15)         | (15)     |



## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

| Nature of Transactions                               | Holding Company/<br>Investor with<br>significant influence | Subsidiaries | Total   |
|--|--|--------------|---------|
| Recovery of bank guarantee charges from subsidiaries | -  | -            | -       |
|  | -  | -            | -       |
| Dividend paid  | 1,416  | -            | 1,416   |
|  | (1,666)  | -            | (1,666) |
| Dividend received                                    |  | 4,758        | 4,758   |
|  | -  | (3,473)      | (3,473) |
| Purchase of fixed assets                             | -  | -            | -       |
|  | -  | (14)         | (14)    |

Figures in parenthesis represent Previous period figure.

## C. Key management personnel compensation

| Particulars                      | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| Short term employee benefits**   | 245                         | 151                         |
| Commission and Sitting fees      | 32                          | 32                          |
| Post employment benefits*        | 15                          | 5                           |
| <b>Remuneration paid</b>         | <b>292</b>                  | <b>188</b>                  |
| Share based payment transactions | 444                         | 234                         |
| <b>Total of compensation</b>     | <b>736</b>                  | <b>422</b>                  |

\*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 Company accrues employee bonuses for all the employees in aggregate, which are individually identified in the subsequent financial year. Accordingly, the current year figures includes bonus pertaining to March 2022 paid during the current year.

## D. Details of balances with related parties:

| Particulars   | Receivables as at<br>31 March 2023 | Payables as at<br>31 March 2023 | Receivables as<br>at 31 March 2022 | Payables as at<br>31 March 2022 |
|---|------------------------------------|---------------------------------|------------------------------------|---------------------------------|
| <b>Subsidiaries</b>   |                                    |                                 |                                    |                                 |
| Amount receivable / payable   | 5,386                              | 323                             | 2,369                              | 1,143                           |
| Outstanding guarantees to customers<br>on behalf of wholly owned overseas<br>subsidiaries | -                                  | -                               | -                                  | 786                             |

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

## E. Key Managerial Personnel interests in the Senior Executive Plan

Share options held by Key Managerial Personnel of the Company's Stock Option Plan 2005 to purchase Equity shares have the following expiry dates and exercise prices:

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

| Grant date   | Expiry date            | Exercise price | Closing option as at |                |
|--------------|------------------------|----------------|----------------------|----------------|
|              |                        |                | 31 March 2023        | 31 March 2022  |
| FY 18-19     | 23 May 22 to 31 May 24 | 10 to 1364.4   | -                    | 15,030         |
| FY 19-20     | 31 Dec 23 to 30 Sep 30 | 10             | 467,116              | 540,402        |
| FY 21-22     | 31-Dec-22              | 10             | -                    | 10,000         |
| FY 22-23     | 31 Dec 23 to 31 Dec 26 | 10             | 178,963              | -              |
| <b>Total</b> |                        |                | <b>646,079</b>       | <b>565,432</b> |

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 33 for further details on the scheme.

**F. Terms and Conditions**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The recovery of bank guarantee charges from subsidiaries are made on terms equivalent to those that prevail in arm's length transactions.

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

**29 Contingent liabilities and contingent assets****(a) Contingent liabilities**

The Company had contingent liabilities in respect of:

- i) Claims against the Company not acknowledged as debts:

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Income tax matters pending disposal by the tax authorities | 452                    | 833                    |
| Others   | 301                    | 254                    |

- ii) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition. Further, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

- iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

**iv) Income tax**

Claims against the Company not acknowledged as debts as on 31 March 2023 include demand from the Indian Income tax authorities on certain matters relating to Transfer pricing and availment of tax holiday.

The Company is contesting these demands and the management including its tax 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 Company's financial position and results of operations.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

**(b) Contingent assets**

The Company does not have any contingent assets as at 31 March 2023 and 31 March 2022.

**30 Commitments**

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

|                               | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------|------------------------|------------------------|
| Property, plant and equipment | 64                     | 188                    |

**31 Leases**

Following are the changes in the carrying value of right of use assets for the year period ended 31 March 2023:

| Particulars                          | Year Ended 31 March 2023 |                 |            | Year Ended 31 March 2022 |                 |            |
|--------------------------------------|--------------------------|-----------------|------------|--------------------------|-----------------|------------|
|                                      | Buildings                | Lease hold land | Total      | Buildings                | Lease hold land | Total      |
| Balance as at beginning of the year  | 129                      | 299             | 428        | 111                      | 303             | 414        |
| Additions during the year            | 551                      | -               | 551        | 69                       | -               | 69         |
| Deletions during the year            | (57)                     | -               | (57)       | (4)                      | -               | (4)        |
| Depreciation for the year            | (77)                     | (4)             | (81)       | (47)                     | (4)             | (51)       |
| <b>Balance as at end of the year</b> | <b>545</b>               | <b>295</b>      | <b>840</b> | <b>129</b>               | <b>299</b>      | <b>428</b> |

The following is the movement in lease liabilities during the period ended 31 March 2023:

| Particulars                          | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------------------|-----------------------------|-----------------------------|
| Balance at the beginning             | 162                         | 152                         |
| Additions                            | 527                         | 69                          |
| Deletions                            | (57)                        | (4)                         |
| Finance cost accrued during the year | 29                          | 12                          |
| Payment of lease liabilities         | (94)                        | (68)                        |
| Translation difference               | 1                           | 1                           |
| <b>Balance at the end</b>            | <b>568</b>                  | <b>162</b>                  |

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

| Particulars                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------|------------------------|------------------------|
| Current lease liabilities     | 94                     | 75                     |
| Non-current lease liabilities | 474                    | 87                     |
| <b>Total</b>                  | <b>568</b>             | <b>162</b>             |

The table below provides details regarding the contractual maturities of lease liabilities

| Particulars          | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------|------------------------|------------------------|
| Less than one year   | 134                    | 84                     |
| One to five years    | 497                    | 92                     |
| More than five years | 73                     | -                      |
| <b>Total</b>         | <b>704</b>             | <b>176</b>             |

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

The following are the amounts recognised in statement of profit or loss:

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Depreciation expense of right-of-use assets   | 81                          | 51                          |
| Interest expense on lease liabilities   | 29                          | 12                          |
| Expense relating to short-term leases and leases of low-value assets (included in other expenses) | 74                          | 64                          |
|   | <b>184</b>                  | <b>127</b>                  |

The Company 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 (including low-value lease assets) was Rs. 74 Mn for the year ended 31 March 2023. (Previous year Rs. 64 mn)

The Company had total cash outflows for principal portion of leases of Rs. 65 Mn in current year (Previous year Rs. 56 Mn).

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

### 32 Share-based stock payments

#### (a) Employee 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 and further by 900,000 additional option in the existing ESOP plan over and above earlier options issued by the Company.

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.

#### i) Set out below is a summary of options granted under the plan:

|                                   | Year ended March 31, 2023        |                   | Year ended March 31, 2022        |                   |
|-----------------------------------|----------------------------------|-------------------|----------------------------------|-------------------|
|                                   | Average exercise price per share | Number of options | Average exercise price per share | Number of options |
| Opening balance                   | 21.65                            | 1,340,822         | 50.02                            | 1,574,493         |
| Granted during the year           | 10.00                            | 276,480           | 10                               | 302,000           |
| Exercised during the year *       | 99.78                            | 173,928           | 157.72                           | 320,803           |
| Forfeited/ lapsed during the year | 10.00                            | 104,953           | 10                               | 214,868           |
| <b>Closing balance</b>            | <b>10.00</b>                     | <b>1,338,421</b>  | <b>21.65</b>                     | <b>1,340,822</b>  |
| Vested and exercisable            |                                  | 150,703           |                                  | 115,727           |

\* The weighted average share price at the date of exercise of these options during the year ended 31 March 2023 was Rs. 3,798.21 (31 March 2022 - Rs. 5,312.64)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2023 was 1.3 years (31 March 2022: 1.95 years).

The weighted average fair value of options granted during the year was Rs. 3,340 (31 March 2022: Rs. 3,452).

The range of exercise prices for options outstanding at the end of the year was Rs. 10 (31 March 2022: Rs. 10 to Rs. 1,048.9).

## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

ii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant Year   | Vesting conditions              | Vesting Date           | Expiry date              | Exercise price | Fair Value at the grant date | Share options outstanding as at |                  |
|--------------|---------------------------------|------------------------|--------------------------|----------------|------------------------------|---------------------------------|------------------|
|              |                                 |                        |                          |                |                              | 31 March 2023                   | 31 March 2022    |
| 2018-19      | Service                         | 23-May-19 to 20-Mar-22 | 23-May-22 to 20-Mar-25   | 10 to 1364.4   | 296.72 to 1319.16            | -                               | 15,030           |
| 2019-20      | Service and service/performance | 31-Mar-21 to 30-Sep-25 | 31-Dec-23 to 29-Mar-32   | 10             | 879.3 to 1183.04             | 861,636                         | 1,022,553        |
| 2020-21      | Service and service/performance | 1-Jan-22 to 30-Sept-25 | 31-Dec-23 to 31-Dec-25   | 10             | 915.67 to 2606.46            | 22,934                          | 24,237           |
| 2021-22      | Service and service/performance | 30 Sep 22 to 30-Sep-25 | 31st Dec 23 to 30-Sep-30 | 10             | 3,039.9 to 5,811.38          | 177,837                         | 279,002          |
| 2022-23      | Service and service/performance | 31 May 23 to 29 Mar 26 | 31 Dec 23 to 31 Dec 26   | 10             | 3165.96 to 3836.15           | 276,014                         | -                |
| <b>Total</b> |                                 |                        |                          |                |                              | <b>1,338,421</b>                | <b>1,340,822</b> |

iii) 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        | Market Price at the grant date | Fair Value at grant date | Exercise Price | Volatility*      | Average Life of the Options (in Years) | Risk Less Interest Rate | Dividend yield rate |
|-------------------|--------------------------------|--------------------------|----------------|------------------|--|-------------------------|---------------------|
| <b>FY 2021-22</b> | 3107.65 to 5931.15             | 3,040 to 5,811           | 10             | 43.39% to 58.42% | 0.94 to 4.48                           | 3.84% to 6.33%          | 0.33% to 0.58%      |
| <b>FY 2022-23</b> | 3235.95 to 3884.45             | 3165.96 to 3836.15       | 10             | 42.94% to 46.93% | 1.03 to 3.53                           | 5.86% to 7.16%          | 0.39 % to 0.53 %    |

\* 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.

(b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized in Statement of Profit and Loss as part of employee benefit expense were as follows:

|   | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--------------------------|--------------------------|
| Expense arising from equity-settled share-based payment transactions* | 470                      | 301                      |

\* This includes impact of modification (Change of Vesting Date) amounting to 3.5 Mn (Previous Year 12 Mn).

## Notes to the Standalone Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>33 Earnings per Share</b>   |                             |                             |
| (a) Basic earnings per equity share of Rs 10 each  |                             |                             |
| Attributable to the equity holders of the Company (Rs. Per share)  | 120.12                      | 106.19                      |
| (b) Diluted earnings per equity share of Rs 10 each  |                             |                             |
| Attributable to the equity holders of the Company (Rs. Per share)  | 117.75                      | 103.75                      |
| (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:                                 | 7,325                       | 6,445                       |
| Diluted earnings per share   |                             |                             |
| Profit attributable to the equity holders of the Company used in calculating diluted earnings per share                                | 7,325                       | 6,445                       |
| (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                               | 60,981,411                  | 60,694,760                  |
| Adjustments for calculation of diluted earnings per share:   |                             |                             |
| Stock Options  | 1,225,284                   | 1,424,394                   |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | <b>62,206,695</b>           | <b>62,119,154</b>           |
| (e) Information concerning the classification of securities  |                             |                             |

**Stock Options**

Options granted to employees under the ESOP 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 33.



## Notes to the Standalone Financial Statements.

(All amounts in Rs Mn unless otherwise stated)

## 34 Ratio analysis

| Particulars                     | Computation   | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 | Change | Remarks  |
|---------------------------------|---|---------------------------|---------------------------|--------|--|
| Current Ratio                   | Total current asset/ Total current liabilities  | 1.56                      | 1.04                      | 33%    | -  |
| Debt Equity Ratio               | Total borrowings (current & non-current)/ Total equity  | 0.13                      | 0.15                      | 15%    | -  |
| Debt service Coverage Ratio     | Earnings before interest, tax, depreciation and amortisation/(interest expense on short term and long term borrowings+ principal repayment of long term borrowings) | 7.28                      | 9.06                      | 20%    | -  |
| Return on equity ratio          | Net Profit After Tax - Pref Div/ Average Shareholders Equity  | 30.4%                     | 32.1%                     | 5%     | -  |
| Inventory turnover ratio        | (Purchases of stock- in- trade / contract cost + Changes in inventories of stock- in- trade)/ Average inventory   | NA                        | NA                        | NA     | -  |
| Trade receivable turnover ratio | Annualised revenue from operations / Average trade receivable   | 6.57                      | 8.13                      | 19%    | -  |
| Trade payable turnover ratio    | Net Credit Purchases / Average Trade Payables   | 2.37                      | 2.39                      | 1%     | -  |
| Net capital turnover ratio      | Net Sales/ Working Capital  | 11.37                     | 140.39                    | 92%    | Decrease is primarily on account of higher increase in working capital as compared to net sales.                     |
| Net profit ratio                | Profit after tax / Revenue from operations  | 17.3%                     | 19.5%                     | 11%    | -  |
| Return on capital employed      | Earning before interest and taxes/ Capital Employed   | 9.8%                      | 13.2%                     | 26%    | Decrease is primarily on account of increase in capital employed as compared to increase in Revenue from operations. |
| Return on investment            | Finance Income/Investment   | NA                        | NA                        | NA     | -  |

## 35 Other Statutory Information

The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**Notes to the Standalone Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
**36 Segment Information**

As per Ind AS 108 - Operating Segments, where the financial report contains both the consolidated financial statements of a parent as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements, accordingly no segment information is disclosed in these standalone financial statements of the Company.

**37 Subsequent events**

There were no significant reportable subsequent events that occurred after the balance sheet date but before financial statements were issued.

**38 Previous year figures have been reclassified to confirm to current year'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

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Yogender Seth**  
Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Coforge Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Coforge Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 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 consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters   | How our audit addressed the key audit matter   |
|---|--|
| <b>Recoverability of trade receivables and unbilled revenue related to Government Customer</b>  |  |
| <p>As at March 31, 2023, the Group has outstanding trade receivables and unbilled revenue relating to Government customer in India. The appropriateness of the allowance for doubtful trade receivables pertaining to Government customers in India is subjective due to the high degree of significant judgement applied by management in determining the impairment provision.</p> <p>Refer Note 5(ii) of the Consolidated Financial Statements</p> | <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. We evaluated the Group's processes and controls relating to the monitoring of trade receivables &amp; unbilled from Government customer.</li> <li>2. We performed procedures relating to obtaining evidence of receipts from the trade receivables after the period end on test check basis.</li> <li>3. We inquired management about the recoverability status and reviewed communication received from the customer.</li> <li>4. We evaluated management's assumptions used to determine the impairment amount, through analysis of ageing of trade receivables, assessment of material overdue individual trade receivables and risks specific to the Government customer.</li> </ol> |

| <b>Impairment- Goodwill and other intangibles</b>   |   |
|---|---|
| <p>Determination of recoverable amount pertaining to Goodwill and other intangibles is complex and typically requires a high level of judgement, taking into account the different economic environments in which the Group operates. The most significant judgements arise over the forecast cash flows, discount rate and growth rate applied in the valuation models. Due to the inherent uncertainty associated with these assumptions and the consequent cash flow projections, the same is considered as a key audit matter.</p> <p>Refer Note 4 of the Consolidated Financial Statements</p> | <p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. We evaluated the Group's internal controls over its annual impairment test, key assumptions applied such as discount rates and growth rates based on our understanding of the relevant business and the industry and economic environment in which it operates.</li> <li>2. We compared forecasts to business plans and also previous forecasts to actual results to assess the performance of the business and the forecasting of the scenarios used, in the context of our wider business understanding</li> <li>3. We involved our own valuation specialists to assist us in evaluating the key assumptions and methodologies used by the Group, in particular those relating to discount rates, and growth rates, which were based on our industry knowledge and experience.</li> </ol> |

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company(ies) 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective company(ies) 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 Group 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 financial reporting process of their respective company(ies).

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of thirteen subsidiaries, whose financial statements include total assets of Rs. 14,834 million as at March 31, 2023, and total revenues of Rs. 23,564 million and net cash outflows of Rs. 411 million for the year ended on that date. These financial statement 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of thirteen subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 819 million as at March 31, 2023, and total revenues of Rs. 827 million and net cash outflows of Rs. 3 million for the year ended on that date. 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, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements 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 the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



- (f) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 32 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts – Refer (a) Note 13(iv) to the consolidated financial statements in respect of such items as it relates to the Group,
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023.
  - iv.
    - a) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v) The interim dividend declared and paid during the year by the Holding Company and its subsidiaries, companies incorporated in India and until the date of the respective audit reports of such Holding Company and its subsidiaries, is in accordance with section 123 of the Act.
  - vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**

Partner

Membership Number: 094524

UDIN: 23094524BGYIBX8102

Place of Signature: Gurugram

Date: April 27, 2023

**Annexure 1 to the Independent Auditor’s Report referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our report of even date**

**Re: Coforge Limited (“the Holding Company”)**

3(xxi) Qualifications by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

| S.No | Name   | CIN                   | Holding company/<br>subsidiary | Clause number of the<br>CARO report which is<br>qualified |
|------|--|-----------------------|--------------------------------|---|
| 1    | Coforge Business Process Solutions Private Limited (Formerly SLK Global Solutions Private Limited) | U72200PN2001PTC204300 | Subsidiary Company             | 3(vii)(a)   |

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**

Partner

Membership Number: 094524

UDIN: 23094524BGYIBX8102

Place of Signature: Gurugram

Date: April 27, 2023

## **Annexure 2 to the independent auditor's report of even date on the consolidated financial statements of Coforge Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Coforge Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**

Partner

Membership Number: 094524

UDIN: 23094524BGYIBX8102

Place of Signature: Gurugram

Date: April 27, 2023

**Independent Auditor’s Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Coforge Limited

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Coforge Limited (“Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), for the quarter ended March 31, 2023 and for the year ended March 31, 2023 (“Statement”), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”)

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial information of the subsidiaries, the Statement:

i. includes the results of the following entities;

| S. No. | Name of the entities  |
|--------|---|
| 1      | Coforge Limited (“Holding Company”)   |
| 2      | Coforge SmartServe Limited  |
| 3      | Coforge Services Limited  |
| 4      | Coforge DPA Private Limited   |
| 5      | Coforge SF Private Limited (erstwhile Whishworks IT Consulting Private Limited)                     |
| 6      | Coforge Business Process Solutions Private Limited (erstwhile SLK Global Solutions Private Limited) |
| 7      | Coforge Solutions Private Limited   |
| 8      | Coforge Inc. USA  |
| 9      | Coforge Pte Ltd. Singapore  |
| 10     | Coforge U.K. Ltd. UK  |
| 11     | NIIT Technologies Philippines Inc (under liquidation)   |
| 12     | Coforge GmbH , Germany  |
| 13     | Coforge FZ LLC , Dubai  |
| 14     | Coforge Airline Technologies GmbH , Germany   |
| 15     | Coforge DPA UK Ltd. (UK)  |
| 16     | Coforge DPA Australia Pty Ltd., Australia   |
| 17     | Coforge DPA NA Inc. (USA)   |
| 18     | Coforge DPA Ireland Limited, Ireland  |
| 19     | Coforge BPM Inc.  |
| 20     | Coforge Healthcare Digital Automation LLC   |
| 21     | Coforge Technologies (Australia) Pty Ltd., Australia  |
| 22     | Coforge Limited, Thailand   |
| 23     | Coforge BV, Netherlands   |
| 24     | Coforge Advantage Go, U.K.  |
| 25     | Coforge S.A., Spain   |
| 26     | Coforge SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA, Poland   |
| 27     | Coforge SDN. BHD, Malaysia  |
| 28     | Coforge S.R.L., Romania   |
| 29     | Coforge A.B., Sweden  |
| 30     | Coforge SpA, Chile  |
| 31     | Coforge SF Limited, UK (erstwhile Whishworks Limited, UK)   |
| 32     | Coforge BPS Philippines Inc, (erstwhile SLK Global Philippines Inc, Philippines)                    |
| 33     | Coforge BPS America Inc. (erstwhile SLK Global Solutions America Inc., USA)                         |
| 34     | Coforge BPS North Carolina LLC (erstwhile SLK Global North Carolina LLC, USA)                       |
| 35     | Coforge Japan GK  |

ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and

- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, 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 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, 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 the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Statement 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.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matter**

The accompanying Statement includes the audited financial information, in respect of thirteen subsidiaries, whose financial information include total assets of Rs 14,834 million, as at March 31, 2023, total revenues of Rs 6,724 million and Rs 23,564 million, total net profit after tax of Rs. 110 and Rs. 1,711 million, total comprehensive income of Rs. 179 million and Rs. 1,714 million, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 411 million for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

The accompanying Statement includes unaudited financial information in respect of thirteen subsidiaries, whose financial information reflect total assets of Rs 819 million as at March 31, 2023, and total revenues of Rs 204 million and Rs 827 million, total net profit/(loss) after tax of Rs. (1) million and Rs. 70 million, total comprehensive income/(loss) of Rs. (1) million and Rs. 70 million, for the quarter and the year ended on that date respectively and net cash outflows of Rs. 3 million for the year ended March 31, 2023, whose financial information have not been audited by any auditors.

These unaudited financial information have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the Statement 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 information certified by the Management.

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, as required under the Listing Regulations.

#### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogender Seth**

Partner

Membership No.: 094524

UDIN: 23094524BGYIBX8102

Place: Gurugram

Date: April 27, 2023

**COFORGE LIMITED**  
**CONSOLIDATED BALANCE SHEET**

(All amounts in Rs Mn unless otherwise stated)

| Particulars   | Notes   | As at         |               |
|---|---------|---------------|---------------|
|   |         | 31 March 2023 | 31 March 2022 |
| <b>ASSETS</b>   |         |               |               |
| <b>Non-current assets</b>                               |         |               |               |
| Property, plant and equipment                           | 3       | 4,455         | 4,452         |
| Right-of-use assets                                     | 34      | 2,365         | 1,476         |
| Capital work-in-progress                                | 3       | 46            | 86            |
| Goodwill  | 4       | 11,665        | 10,708        |
| Other intangible assets                                 | 4       | 4,634         | 4,031         |
| Intangible assets under development                     | 4       | -             | 82            |
| Financial assets  |         |               |               |
| Investments#  | 5(i)    | 0             | 0             |
| Trade receivables                                       | 5(ii)   | 1,772         | 1,691         |
| Other financial assets                                  | 5(iii)  | 479           | 421           |
| Income tax assets (net of provisions)                   | 7       | 233           | 607           |
| Deferred tax assets (net)                               | 6       | 3,757         | 2,736         |
| Other non-current assets                                | 9       | 1,364         | 1,045         |
| <b>Total non-current assets</b>                         |         | <b>30,770</b> | <b>27,335</b> |
| <b>Current assets</b>                                   |         |               |               |
| Contract assets   | 8       | 1,512         | 1,184         |
| Financial assets  |         |               |               |
| Trade receivables                                       | 5(ii)   | 16,131        | 13,894        |
| Cash and cash equivalents                               | 5(iv)   | 5,699         | 4,468         |
| Other bank balances                                     | 5(v)    | 88            | 67            |
| Other financial assets                                  | 5(iii)  | 187           | 662           |
| Other current assets                                    | 9       | 2,447         | 1,934         |
| <b>Total current assets</b>                             |         | <b>26,064</b> | <b>22,209</b> |
| <b>TOTAL ASSETS</b>                                     |         | <b>56,834</b> | <b>49,544</b> |
| <b>EQUITY AND LIABILITIES</b>                           |         |               |               |
| <b>Equity</b>   |         |               |               |
| Equity share capital                                    | 10      | 611           | 609           |
| Other equity  | 11      | 30,214        | 26,722        |
| <b>Equity attributable to owners of Coforge Limited</b> |         | <b>30,825</b> | <b>27,331</b> |
| Non-controlling interests ("NCI")                       | 12      | 874           | 983           |
| <b>TOTAL EQUITY</b>                                     |         | <b>31,699</b> | <b>28,314</b> |
| <b>Liabilities</b>                                      |         |               |               |
| <b>Non-current liabilities</b>                          |         |               |               |
| Financial liabilities                                   |         |               |               |
| Borrowings  | 13(i)   | 3,382         | 3,365         |
| Lease liability   | 34      | 1,786         | 937           |
| Trade payables  | 13(iii) | 332           | 364           |
| Other financial liabilities                             | 13(iv)  | 324           | 2,908         |
| Employee benefit obligations                            | 14      | 1,276         | 1,047         |
| Deferred tax liabilities                                | 6       | 583           | 766           |
| Other non-current liabilities                           | 15      | 59            | 51            |
| <b>Total non-current liabilities</b>                    |         | <b>7,742</b>  | <b>9,438</b>  |
| <b>Current liabilities</b>                              |         |               |               |
| Financial liabilities                                   |         |               |               |
| Borrowings  | 13(ii)  | -             | 180           |
| Lease liability   | 34      | 454           | 414           |
| Trade payables  | 13(iii) | 6,481         | 6,160         |
| Other financial liabilities                             | 13(iv)  | 7,377         | 2,398         |
| Employee benefit obligations                            | 14      | 360           | 316           |
| Other current liabilities                               | 15      | 2,721         | 2,324         |
| <b>Total current liabilities</b>                        |         | <b>17,393</b> | <b>11,792</b> |
| <b>TOTAL LIABILITIES</b>                                |         | <b>25,135</b> | <b>21,230</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                     |         | <b>56,834</b> | <b>49,544</b> |

# 0 represents amount is below the round off norm adopted by the Group

The accompanying notes are an integral part of the 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

**Sudhir Singh**

CEO &amp; Executive Director

DIN : 07080613

Place : Gurugram

Date : 27 April 2023

**Hari Gopalakrishnan**

Director

DIN : 03289463

Place : Mumbai

Date : 27 April 2023

**Yogender Seth**

Partner

Membership No.094524

Place : Gurugram

Date : 27 April 2023

**Ajay Kalra**

Chief Financial Officer

Place : Gurugram

Date : 27 April 2023

**Barkha Sharma**

Company Secretary

Place : Gurugram

Date : 27 April 2023

**COFORGE LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(All amounts in Rs Mn unless otherwise stated)

| Particulars   | Note | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|------|-----------------------------|-----------------------------|
| Revenue from operations   | 16   | 80,146                      | 64,320                      |
| Other income  | 17   | 619                         | 518                         |
| <b>Total income</b>   |      | <b>80,765</b>               | <b>64,838</b>               |
| <b>Expenses</b>   |      |                             |                             |
| Purchases of stock-in-trade / contract cost   |      | 551                         | 1,724                       |
| Employee benefits expense   | 18   | 48,280                      | 38,346                      |
| Depreciation and amortisation expense   | 19   | 2,585                       | 2,272                       |
| Other expenses  | 20   | 18,508                      | 13,231                      |
| Finance costs   | 21   | 806                         | 650                         |
| <b>Total expenses</b>   |      | <b>70,730</b>               | <b>56,223</b>               |
| <b>Profit before exceptional items and tax</b>                                      |      | <b>10,035</b>               | <b>8,615</b>                |
| Exceptional items   | 22   | 523                         | -                           |
| <b>Profit before tax</b>  |      | <b>9,512</b>                | <b>8,615</b>                |
| Income tax expense:   | 23   |                             |                             |
| Current tax   |      | 2,492                       | 1,774                       |
| Deferred tax  |      | (431)                       | (306)                       |
| <b>Total tax expense</b>  |      | <b>2,061</b>                | <b>1,468</b>                |
| <b>Profit for the year</b>  |      | <b>7,451</b>                | <b>7,147</b>                |
| <b>Other comprehensive income/(loss)</b>  |      |                             |                             |
| Items that may be reclassified to profit or loss                                    |      |                             |                             |
| Fair value changes on derivatives designated as cash flow hedge, net                |      | (393)                       | 21                          |
| Exchange differences on translation of foreign operations                           |      | 556                         | 231                         |
| Income tax relating to items that will be reclassified to profit or loss            |      | 95                          | (3)                         |
|   |      | <b>258</b>                  | <b>249</b>                  |
| Items that will not be reclassified to profit or loss                               |      |                             |                             |
| Remeasurement of post - employment benefit obligations (expenses) / income          |      | 69                          | 13                          |
| Income tax relating to items that will not be reclassified to profit or loss        |      | (11)                        | 3                           |
|   |      | <b>58</b>                   | <b>16</b>                   |
| <b>Other comprehensive income for the year, net of tax</b>                          |      | <b>316</b>                  | <b>265</b>                  |
| <b>Total comprehensive income for the year</b>                                      |      | <b>7,767</b>                | <b>7,412</b>                |
| <b>Profit is attributable to:</b>   |      |                             |                             |
| Owners of Coforge Limited   |      | 6,938                       | 6,617                       |
| Non-controlling interests   |      | 513                         | 530                         |
|   |      | <b>7,451</b>                | <b>7,147</b>                |
| Other comprehensive income is attributable to:                                      |      |                             |                             |
| Owners of Coforge Limited   |      | 303                         | 248                         |
| Non-controlling interests   |      | 13                          | 17                          |
|   |      | <b>316</b>                  | <b>265</b>                  |
| Total comprehensive income is attributable to:                                      |      |                             |                             |
| Owners of Coforge Limited   |      | 7,241                       | 6,865                       |
| Non-controlling interests   |      | 526                         | 547                         |
|   |      | <b>7,767</b>                | <b>7,412</b>                |
| Earnings per equity share (of Rs 10 each) attributable to owners of Coforge Limited |      |                             |                             |
| Basic earnings per share  | 37   | 113.77                      | 109.02                      |
| Diluted earnings per share  | 37   | 111.53                      | 106.52                      |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

**Yogender Seth**  
Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

For and on Behalf of Board of Directors of Coforge Limited

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023

**COFORGE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(All amounts in Rs Mn unless otherwise stated)

| Particulars  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>                                     |                             |                             |
| Profit before tax after exceptional items                                      | 9,512                       | 8,615                       |
| <b>Adjustments for:</b>  |                             |                             |
| Depreciation and amortisation expense  | 2,585                       | 2,272                       |
| Loss on disposal of property, plant and equipment (net)                        | 13                          | -                           |
| Interest and finance charges   | 768                         | 609                         |
| Employee share-based payment expense   | 544                         | 355                         |
| Allowance for doubtful debts & contract assets (net)                           | 72                          | 16                          |
| Dividend and interest income   | (46)                        | (31)                        |
| Realised and unrealised loss/ (gain) on investments                            | -                           | (3)                         |
| Unwinding of discount - finance income   | (116)                       | (98)                        |
|  | <b>3,820</b>                | <b>3,120</b>                |
| <b>Changes in operating assets and liabilities</b>                             |                             |                             |
| (Increase)/Decrease in trade receivables                                       | (2,126)                     | (3,152)                     |
| (Increase)/Decrease in other financial assets                                  | 282                         | 600                         |
| (Increase)/Decrease in other assets  | (769)                       | (1,276)                     |
| Increase/(Decrease) in employee benefit obligations                            | 307                         | 223                         |
| Increase/(Decrease) in trade payables  | 175                         | 2,153                       |
| Increase/(Decrease) in other liabilities                                       | 1,104                       | 19                          |
| <b>Cash used from operations</b>   | <b>(1,027)</b>              | <b>(1,433)</b>              |
| Income taxes paid  | (2,800)                     | (2,646)                     |
| <b>Net cash inflow from operating activities</b>                               | <b>9,505</b>                | <b>7,656</b>                |
| <b>Cash flow from investing activities</b>                                     |                             |                             |
| Purchase of property, plant and equipment                                      | (1,582)                     | (1,541)                     |
| Proceeds from sale of property, plant and equipment                            | 45                          | 66                          |
| Acquisition of a subsidiary / operations, net of cash acquired (Refer Note 31) | (1,222)                     | (8,557)                     |
| Proceeds from sale of current investments                                      | -                           | 450                         |
| Interest received on bank deposits   | 43                          | 18                          |
| <b>Net cash (outflow) from investing activities</b>                            | <b>(2,716)</b>              | <b>(9,564)</b>              |
| <b>Cash flow from financing activities</b>                                     |                             |                             |
| Proceeds from issue of shares (including securities premium and taxes)         | 18                          | 51                          |
| Purchase of additional stake in subsidiaries                                   | -                           | (729)                       |
| Proceeds from term loan  | -                           | 3,578                       |
| Repayment of term loan   | (180)                       | (59)                        |
| Payment of principal portion of lease liabilities                              | (421)                       | (386)                       |
| Interest paid  | (714)                       | (265)                       |
| Dividends paid to the NCI  | (751)                       | (596)                       |
| Dividends paid to the Company's shareholders                                   | (3,534)                     | (3,152)                     |
| <b>Net cash (outflow) from financing activities</b>                            | <b>(5,582)</b>              | <b>(1,558)</b>              |

**COFORGE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(All amounts in Rs Mn unless otherwise stated)

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Net increase / (decrease) in cash and cash equivalents</b>     | 1,207                       | (3,466)                     |
| Cash and cash equivalents at the beginning of the financial year  | 4,468                       | 7,999                       |
| Effects of exchange rate changes on cash and cash equivalents     | 24                          | (65)                        |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>5,699</b>                | <b>4,468</b>                |
| <b>Cash and Cash Equivalents comprise of:</b>                     |                             |                             |
| Cheques, drafts on hand   | 119                         | 2                           |
| Balances with banks   | 5,389                       | 4,466                       |
| Fixed deposit accounts (less than 3 months maturity)              | 191                         | -                           |
| <b>Total [Refer note 5(iv)]</b>                                   | <b>5,699</b>                | <b>4,468</b>                |

The accompanying notes are an integral part of the 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

**Sudhir Singh**  
CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**  
Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Yogender Seth**  
Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**  
Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Barkha Sharma**  
Company Secretary  
Place : Gurugram  
Date : 27 April 2023

**COFORGE LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(All amounts in Rs Mn unless otherwise stated)

**a. Equity Share Capital**

| Particulars         | Number     | Amount |
|---------------------|------------|--------|
| As at 1 April 2021  | 60,592,349 | 606    |
| Issue of Shares     | 320,803    | 3      |
| As at 31 March 2022 | 60,913,152 | 609    |
| As at 1 April 2022  | 60,913,152 | 609    |
| Issue of Shares     | 173,928    | 2      |
| As at 31 March 2023 | 61,087,080 | 611    |

**b. Other Equity**

| Description  | Other Equity         |                            |                    |                       |                  |                            |                           |                                      |                    |         | Non-Controlling Interest | Total |
|--|----------------------|----------------------------|--------------------|-----------------------|------------------|----------------------------|---------------------------|--------------------------------------|--------------------|---------|--------------------------|-------|
|  | Reserves and Surplus |                            |                    |                       |                  | Other Comprehensive Income |                           |                                      |                    |         |                          |       |
|  | Capital Reserve      | Capital Redemption Reserve | Securities Premium | Employee Stock Option | General Reserves | Retained Earnings          | Cash Flow Hedging Reserve | Foreign Currency Translation Reserve | Total Other Equity |         |                          |       |
| <b>Balance at 1 April 2021</b>   | 11                   | 36                         | 39                 | 523                   | 2,057            | 20,375                     | 77                        | 937                                  | 24,055             | -       | 24,055                   |       |
| Profit for the year  | -                    | -                          | -                  | -                     | -                | 6,617                      | -                         | -                                    | 6,617              | 530     | 7,147                    |       |
| Other comprehensive income   | -                    | -                          | -                  | -                     | -                | 4                          | 18                        | 226                                  | 248                | 17      | 265                      |       |
| <b>Total comprehensive income for the year</b>                                     | -                    | -                          | -                  | -                     | -                | 6,621                      | 18                        | 226                                  | 6,865              | 547     | 7,412                    |       |
| Transferred from Employee Stock Option Reserve on exercise of stock options (ESOP) | -                    | -                          | 297                | (297)                 | -                | -                          | -                         | -                                    | -                  | -       | -                        |       |
| Tax benefit on share based payment # (Refer note 35)                               | -                    | -                          | -                  | -                     | -                | 382                        | -                         | -                                    | 382                | -       | 382                      |       |
| Shares issued on exercise of employee stock options                                | -                    | -                          | 48                 | 349                   | -                | -                          | -                         | -                                    | 48                 | -       | 48                       |       |
| Shares based payments expense  | -                    | -                          | -                  | -                     | -                | (3,155)                    | -                         | -                                    | 349                | -       | 349                      |       |
| Dividend paid  | -                    | -                          | -                  | -                     | -                | (1,822)                    | -                         | -                                    | (3,155)            | -       | (3,155)                  |       |
| Change in fair value of NCI  | -                    | -                          | -                  | -                     | -                | (1,822)                    | -                         | -                                    | (1,822)            | -       | (1,822)                  |       |
| Derecognition of NCI to financial liability  | -                    | -                          | -                  | -                     | -                | -                          | -                         | -                                    | -                  | (1,110) | (1,110)                  |       |
| NCI arising from acquisition of subsidiary (Refer note 31)                         | -                    | -                          | -                  | -                     | -                | -                          | -                         | -                                    | -                  | 2,142   | 2,142                    |       |
| Dividend from subsidiary   | -                    | -                          | -                  | -                     | -                | -                          | -                         | -                                    | -                  | (596)   | (596)                    |       |
| <b>Balance as at 31 March 2022</b>   | 11                   | 36                         | 384                | 575                   | 2,057            | 22,401                     | 95                        | 1,163                                | 26,722             | 983     | 27,705                   |       |



**COFORGE LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(All amounts in Rs Mn unless otherwise stated)

| 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 |                    |            |                          |       |
| <b>Balance at 1 April 2022</b>   | 11                   | 36                         | 384                | 575                   | 2,057            | 22,401                     | 95                        | 1,163                                | 26,722             | 983        | 27,705                   |       |
| Profit for the year  | -                    | -                          | -                  | -                     | -                | 6,938                      | -                         | -                                    | 6,938              | 513        | 7,451                    |       |
| Other comprehensive income   | -                    | -                          | -                  | -                     | -                | 51                         | (287)                     | 540                                  | 304                | 13         | 317                      |       |
| <b>Total comprehensive income for the year</b>                                     | -                    | -                          | -                  | -                     | -                | <b>6,989</b>               | <b>(287)</b>              | <b>540</b>                           | <b>7,242</b>       | <b>526</b> | <b>7,768</b>             |       |
| Transferred from Employee Stock Option Reserve on exercise of stock options (ESOP) | -                    | -                          | 235                | (235)                 | -                | -                          | -                         | -                                    | -                  | -          | -                        |       |
| Tax benefit on share based payment # (Refer note 35)                               | -                    | -                          | -                  | -                     | -                | 30                         | -                         | -                                    | 30                 | -          | 30                       |       |
| Shares issued on exercise of employee stock options                                | -                    | -                          | 16                 | -                     | -                | -                          | -                         | -                                    | 16                 | -          | 16                       |       |
| Shares based payments expense  | -                    | -                          | -                  | 544                   | -                | -                          | -                         | -                                    | 544                | -          | 544                      |       |
| Dividend paid  | -                    | -                          | -                  | -                     | -                | (3,537)                    | -                         | -                                    | (3,537)            | -          | (3,537)                  |       |
| Change in fair value of NCI  | -                    | -                          | -                  | -                     | -                | (803)                      | -                         | -                                    | (803)              | -          | (803)                    |       |
| Derecognition of NCI to financial liability  | -                    | -                          | -                  | -                     | -                | -                          | -                         | -                                    | -                  | 116        | 116                      |       |
| Dividend from subsidiary   | -                    | -                          | -                  | -                     | -                | -                          | -                         | -                                    | -                  | (751)      | (751)                    |       |
| <b>Balance as at 31 March 2023</b>   | <b>11</b>            | <b>36</b>                  | <b>635</b>         | <b>884</b>            | <b>2,057</b>     | <b>25,080</b>              | <b>(192)</b>              | <b>1,703</b>                         | <b>30,214</b>      | <b>874</b> | <b>31,088</b>            |       |

# 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 consolidated financial statements

As per our report of even date

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

**Yogender Seth**  
 Partner  
 Membership No.094524  
 Place : Gurugram  
 Date : 27 April 2023

For and on Behalf of Board of Directors of Coforge Limited

**Sudhir Singh**  
 CEO & Executive Director  
 DIN : 07080613  
 Place : Gurugram  
 Date : 27 April 2023

**Hari Gopalakrishnan**  
 Director  
 DIN : 03289463  
 Place : Mumbai  
 Date : 27 April 2023

**Ajay Kalra**  
 Chief Financial Officer  
 Place : Gurugram  
 Date : 27 April 2023

**Barkha Sharma**  
 Company Secretary  
 Place : Gurugram  
 Date : 27 April 2023

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

### A. Background

Coforge Limited (“the Company”) 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 BSE Limited and the National Stock Exchange (NSE). These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 27 April 2023.

### B. Basis of preparation of financial statements

#### (i) Compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The previous year number of Group include eleven months numbers of the Coforge Business Process Solutions Pvt. Ltd and its subsidiaries (formerly known as SLK Global Solutions Pvt. Ltd.), hence previous year numbers are not comparable.

#### (ii) Historical cost convention

The 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 (p)]; and
- share-based payments [refer note 1(p)]

### C. Use of Estimates and judgements

The preparation of 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 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 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

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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(s)].

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.

### 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.

Goodwill arising on acquisition of control is determined as per the business combination accounting policy [Refer note 1(s)]. The group combines the 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.

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
**(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 Significant accounting policies**
**(a) Foreign currency translation**
**(i) Functional and presentation currency**

Items included in the 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 financial statements of each entity are measured using that functional currency. Financial statements of the group are presented in Indian Rupee (INR), 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 monthly 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. 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 hyper inflationary 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-

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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 its 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.

### *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.

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
*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 a practical expedient, the Group does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a 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**

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.



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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.

### (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 contract 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) Inventories

Inventories represent items of traded goods that are specific to execute composite contracts of software services and IT infrastructure management services and also include finished goods which are interchangeable and not specific to any project. Inventory is carried at the lower of cost or net realizable value. The net realizable value is determined with reference to selling price of goods less the estimated cost necessary to make the sale. Cost of goods that are procured for specific projects is assigned by specific identification of their individual costs. Cost of goods which are interchangeable and not specific to any project is determined using weighted average cost formula.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**(g) 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.

*(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)

*(i) 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.

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
**(ii) 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:

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

- ♦ 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.

### (h) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables plus 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.

### (i) 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

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**

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.

**(j) 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.

**(k) 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.

**(l) 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.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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 asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

### (m) 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



**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**

- 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 |

Project specific software are amortized over the project duration. 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.

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**

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.

**(n) 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.

**(o) 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 financial statements.

**(p) 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.

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
**(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

## Notes to the Consolidated Financial Statements

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- 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.

### (q) 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.

### (r) 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.

### (s) Business combinations

Business combinations are accounted for using the acquisition method. 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.

#### *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.

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**
**(t) 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.

**(u) 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 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.

**(v) 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

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**

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.

**(w) 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 Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**New amendments issued but not effective**

Ministry of Corporate Affairs("MCA")notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023,MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the accounting policy information disclosures to ensure consistency with the amended requirements and concluded that no change is required.

**Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the accounting policy information disclosures to ensure consistency with the amended requirements and concluded that no change is required.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the accounting policy information disclosures to ensure consistency with the amended requirements and concluded that no change is required.



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## 3 Property, plant and equipment

| 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 |
|--|---------------|--------------|--|---------------------------------------|-----------------------------|------------------------|-------------------------|------------|--------------|--------------------------|
| <b>Gross carrying amount</b>                                   |               |              |  |                                       |                             |                        |                         |            |              |                          |
| As at 1 April 2021   | -             | 2,376        | 2,182  | 181                                   | 1,299                       | 628                    | 61                      | 405        | 7,132        | 2                        |
| Addition pursuant to acquisition of subsidiary during the year | 96            | 291          | 139  | 32                                    | 53                          | 40                     | 93                      | -          | 744          | 13                       |
| Additions  | -             | 1            | 800  | 21                                    | 23                          | 12                     | 22                      | 112        | 991          | 104                      |
| Disposals  | -             | -            | (189)  | (28)                                  | (21)                        | (12)                   | (47)                    | (94)       | (391)        | -                        |
| Translation Adjustment   | -             | -            | (16)   | (2)                                   | -                           | (1)                    | (2)                     | -          | (21)         | -                        |
| Transfers/Adjustment   | -             | -            | -  | -                                     | -                           | -                      | -                       | -          | -            | (33)                     |
| <b>As at 31 March 2022</b>                                     | <b>96</b>     | <b>2,668</b> | <b>2,916</b>                                   | <b>204</b>                            | <b>1,354</b>                | <b>667</b>             | <b>127</b>              | <b>423</b> | <b>8,455</b> | <b>86</b>                |
| <b>Accumulated depreciation</b>                                |               |              |  |                                       |                             |                        |                         |            |              |                          |
| As at 1 April 2021   | -             | 234          | 1,674  | 145                                   | 862                         | 427                    | 56                      | 136        | 3,534        | -                        |
| Depreciation charge for the year                               | -             | 47           | 468  | 34                                    | 91                          | 72                     | 48                      | (52)       | 812          | -                        |
| Disposals  | -             | -            | (179)  | (28)                                  | (14)                        | (21)                   | (42)                    | (45)       | (329)        | -                        |
| Translation Adjustment   | -             | -            | (13)   | (1)                                   | -                           | (1)                    | 1                       | -          | (14)         | -                        |
| <b>As at 31 March 2022</b>                                     | <b>-</b>      | <b>281</b>   | <b>1,950</b>                                   | <b>150</b>                            | <b>939</b>                  | <b>477</b>             | <b>63</b>               | <b>143</b> | <b>4,003</b> | <b>-</b>                 |
| <b>Net carrying amount as at 31 March 2022</b>                 | <b>96</b>     | <b>2,387</b> | <b>966</b>                                     | <b>54</b>                             | <b>415</b>                  | <b>190</b>             | <b>64</b>               | <b>280</b> | <b>4,452</b> | <b>86</b>                |

| 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 |
|--|---------------|--------------|--|---------------------------------------|-----------------------------|------------------------|-------------------------|------------|--------------|--------------------------|
| <b>Gross carrying amount</b>                   |               |              |  |                                       |                             |                        |                         |            |              |                          |
| As at 1 April 2022                             | 96            | 2,668        | 2,916  | 204                                   | 1,354                       | 667                    | 127                     | 423        | 8,455        | 86                       |
| Additions                                      | 15            | 44           | 355  | 4                                     | 54                          | 31                     | 138                     | 258        | 899          | 133                      |
| Disposals                                      | -             | -            | (456)  | (1)                                   | (469)                       | (16)                   | (7)                     | (90)       | (1,039)      | -                        |
| Translation Adjustment                         | -             | -            | 42   | 4                                     | (4)                         | 6                      | 7                       | -          | 55           | -                        |
| Transfers/Adjustment                           | -             | -            | -  | -                                     | 7                           | (7)                    | -                       | -          | -            | (173)                    |
| <b>As at 31 March 2023</b>                     | <b>111</b>    | <b>2,712</b> | <b>2,857</b>                                   | <b>211</b>                            | <b>942</b>                  | <b>681</b>             | <b>265</b>              | <b>591</b> | <b>8,370</b> | <b>46</b>                |
| <b>Accumulated depreciation</b>                |               |              |  |                                       |                             |                        |                         |            |              |                          |
| As at 1 April 2022                             | -             | 281          | 1,950  | 150                                   | 939                         | 477                    | 63                      | 143        | 4,003        | -                        |
| Depreciation charge for the year               | -             | 46           | 535  | 24                                    | 80                          | 46                     | 52                      | 60         | 843          | -                        |
| Disposals                                      | -             | -            | (468)  | (1)                                   | (468)                       | (10)                   | (7)                     | (43)       | (981)        | -                        |
| Translation Adjustment                         | -             | -            | 44   | 3                                     | (5)                         | 5                      | 3                       | -          | 50           | -                        |
| <b>As at 31 March 2023</b>                     | <b>-</b>      | <b>327</b>   | <b>2,077</b>                                   | <b>176</b>                            | <b>546</b>                  | <b>518</b>             | <b>111</b>              | <b>160</b> | <b>3,915</b> | <b>-</b>                 |
| <b>Net carrying amount as at 31 March 2023</b> | <b>111</b>    | <b>2,385</b> | <b>780</b>                                     | <b>35</b>                             | <b>396</b>                  | <b>163</b>             | <b>154</b>              | <b>431</b> | <b>4,455</b> | <b>46</b>                |

## Capital work in progress aging

| Projects in progress | Amounts in Capital work in progress for a period of |            |           | Total |
|----------------------|---|------------|-----------|-------|
|                      | Less than 1 year                                    | 1 -2 years | 2-3 years |       |
| 31-Mar-2023          | 46  | -          | -         | 46    |
| 31-Mar-2022          | 86  | -          | -         | 86    |

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(All amounts in Rs Mn unless otherwise stated)

### 4 Intangible assets

Following are the changes in the carrying value of goodwill and intangible assets for the year ended 31 March 2022:

| Particulars  | Other Intangible assets |                               |          |            |                         |                  |              | Total     | Intangible assets under development | Goodwill |
|--|-------------------------|-------------------------------|----------|------------|-------------------------|------------------|--------------|-----------|-------------------------------------|----------|
|  | Acquired software       | Internally developed software | Patents  | Brand*     | Customer relationships* | Non-compete fee* |              |           |                                     |          |
| <b>Gross carrying amount</b>                                   |                         |                               |          |            |                         |                  |              |           |                                     |          |
| As at 1 April 2021   | 1,138                   | 448                           | 9        | 501        | 1,844                   | 449              | 4,389        | -         | 4,288                               |          |
| Addition pursuant to acquisition of subsidiary during the year | 4                       | -                             | -        | -          | 3,176                   | 50               | 3,230        | -         | 6,317                               |          |
| Additions  | 347                     | -                             | -        | -          | -                       | -                | 347          | 82        | -                                   |          |
| Disposals  | (793)                   | -                             | -        | -          | -                       | -                | (793)        | -         | -                                   |          |
| Translation Adjustment   | (1)                     | (6)                           | -        | 18         | 38                      | 8                | 57           | -         | 165                                 |          |
| <b>As at 31 March 2022</b>                                     | <b>695</b>              | <b>442</b>                    | <b>9</b> | <b>519</b> | <b>5,058</b>            | <b>507</b>       | <b>7,230</b> | <b>82</b> | <b>10,770</b>                       |          |
| <b>Accumulated amortization and impairment</b>                 |                         |                               |          |            |                         |                  |              |           |                                     |          |
| As at 1 April 2021   | 1,070                   | 398                           | 5        | 155        | 928                     | 369              | 2,925        | -         | 62                                  |          |
| Amortization charge for the year                               | 322                     | 51                            | -        | 52         | 569                     | 55               | 1,049        | -         | -                                   |          |
| Disposals  | (789)                   | -                             | -        | -          | -                       | -                | (789)        | -         | -                                   |          |
| Translation Adjustment   | (1)                     | (7)                           | -        | 2          | 15                      | 5                | 14           | -         | -                                   |          |
| <b>As at 31 March 2022</b>                                     | <b>602</b>              | <b>442</b>                    | <b>5</b> | <b>209</b> | <b>1,512</b>            | <b>429</b>       | <b>3,199</b> | <b>-</b>  | <b>62</b>                           |          |
| <b>Net carrying amount as at 31 March 2022</b>                 | <b>93</b>               | <b>-</b>                      | <b>4</b> | <b>310</b> | <b>3,546</b>            | <b>78</b>        | <b>4,031</b> | <b>82</b> | <b>10,708</b>                       |          |

Following are the changes in the carrying value of goodwill and intangible assets for the year ended 31 March 2023:

| Particulars                                    | Other Intangible assets |                               |           |            |                         |                  |              | Total    | Intangible assets under development | Goodwill |
|--|-------------------------|-------------------------------|-----------|------------|-------------------------|------------------|--------------|----------|-------------------------------------|----------|
|  | Acquired software       | Internally developed software | Patents   | Brand*     | Customer relationships* | Non-compete fee* |              |          |                                     |          |
| <b>Gross carrying amount</b>                   |                         |                               |           |            |                         |                  |              |          |                                     |          |
| As at 1 April 2022                             | 695                     | 442                           | 9         | 519        | 5,058                   | 507              | 7,230        | 82       | 10,770                              |          |
| Additions*                                     | 527                     | 604                           | -         | -          | 555                     | 114              | 1,800        | 516      | 787                                 |          |
| Disposals/Transfer                             | (630)                   | -                             | -         | -          | -                       | -                | (630)        | (598)    | -                                   |          |
| Translation Adjustment                         | 16                      | 21                            | 1         | 9          | 69                      | 4                | 120          | -        | 170                                 |          |
| <b>As at 31 March 2023</b>                     | <b>608</b>              | <b>1,067</b>                  | <b>10</b> | <b>528</b> | <b>5,682</b>            | <b>625</b>       | <b>8,520</b> | <b>-</b> | <b>11,727</b>                       |          |
| <b>Accumulated amortization and impairment</b> |                         |                               |           |            |                         |                  |              |          |                                     |          |
| As at 1 April 2022                             | 602                     | 442                           | 5         | 209        | 1,512                   | 429              | 3,199        | -        | 62                                  |          |
| Amortization charge for the year               | 518                     | 41                            | -         | 46         | 611                     | 55               | 1,271        | -        | -                                   |          |
| Disposals/Transfer                             | (630)                   | -                             | -         | -          | -                       | -                | (630)        | -        | -                                   |          |
| Translation Adjustment                         | 13                      | 9                             | 2         | 3          | 17                      | 2                | 46           | -        | -                                   |          |
| <b>As at 31 March 2023</b>                     | <b>503</b>              | <b>492</b>                    | <b>7</b>  | <b>258</b> | <b>2,140</b>            | <b>486</b>       | <b>3,886</b> | <b>-</b> | <b>62</b>                           |          |
| <b>Net carrying amount as at 31 March 2023</b> | <b>105</b>              | <b>575</b>                    | <b>3</b>  | <b>270</b> | <b>3,542</b>            | <b>139</b>       | <b>4,634</b> | <b>-</b> | <b>11,665</b>                       |          |

\*Refer note 31

The disposal in acquired software represents write offs of certain software having gross carrying amount of Rs. 630 Mn (31 March 2022: Rs. 793 Mn), accumulated amortisation of Rs. 630 Mn (31 March 2022: Rs. 789 Mn) and net carrying amount of Nil (31 March 2022 Rs. 4 Mn).

### Intangible assets under development aging

| Projects in progress | Amounts in Intangible assets under development for a period of |            |           |                   | Total |
|----------------------|--|------------|-----------|-------------------|-------|
|                      | Less than 1 year   | 1 -2 years | 2-3 years | More than 3 years |       |
|                      |  |            |           |                   |       |
| 31-Mar-2023          | -  | -          | -         | -                 | -     |
| 31-Mar-2022          | 82   | -          | -         | -                 | 82    |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## 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. SF (erstwhile Whishworks), DPA, Advantage Go, BPS and BPM and Coforge Healthcare 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.

SF provides digital integration business solutions, DPA and BPM are global business process management specialist. Advantage Go 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.

Basis the above methodology, given below is an allocation of carrying amount of goodwill to the units (group of units) having significant goodwill in comparison with the Group's total carrying amount of goodwill:

| CGU           | Segment  | As at 31 March 2023 | As at 31 March 2022 |
|---------------|----------|---------------------|---------------------|
| SF            | EMEA     | 1,289               | 1,280               |
| DPA           | APAC     | 353                 | 357                 |
| Advantage Go# | EMEA     | 930                 | 914                 |
| BPM           | Americas | 1,003               | 930                 |
| BPS           | Americas | 6,137               | 6,124               |
| Others*       |          | 1,953               | 1,103               |
|               |          | <b>11,665</b>       | <b>10,708</b>       |

There are no intangible assets with indefinite useful life allocated to CGU

\*Others include units namely Coforge Spain, Coforge Airline Technologies GmbH, DPA UK, SF USA, Provision tree and SF India to which allocated goodwill is individually insignificant.

The Group performed its annual impairment test for each of the above units separately at each reporting date. The recoverable amount of a CGU is determined by assessing fair value less cost of disposal (FVLCO) for Advantage Go CGU and value-in-use calculations for remaining units.

The FVLCO was categorised as Level 3 calculations due to un-observable inputs in calculations. The FVLCO calculations are determined by considering lower quartile of revenue multiple to market capitalisation of comparable companies and thereafter applying discount (approx. 12.5%) to reflect the risk relating to the Advantage Go business. The resultant multiple was applied to the revenues for the year ended March 31, 2023 of Advantage Go CGU to determine the FVLCO. [refer note c]

The value in use calculations are based on cash flow projections based on financial budgets approved by management covering a five-year period. Key assumptions used in value in use calculations:

**Assumption**

Revenue

**Approach used to determining values [refer note c]**

Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. These growth rates are further corroborated by annual budgets of the Company.

Budgeted operating margin

Based on past performance and management's expectations for the future.

Pre-tax discount rates

Reflect specific risks relating to the relevant segments and the geographies in which they operate.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

Basis above, the following table sets out the key assumptions (approximate) for those CGUs that have significant goodwill allocated to them:

**31 March 2023**

| CGU | Segment  | Revenue (% annual growth rate) | Budgeted operating margin (%) | Pre-tax discount rate (%) |
|-----|----------|--------------------------------|-------------------------------|---------------------------|
| SF  | EMEA     | 10.0%                          | 28.0%                         | 12.0%                     |
| DPA | APAC     | 10.0%                          | 20.0%                         | 12.0%                     |
| BPM | Americas | 10.0%                          | 32.0%                         | 13.0%                     |
| BPS | Americas | 12.0%                          | 25.0%                         | 13.0%                     |

**31 March 2022**

| CGU           | Segment  | Revenue (% annual growth rate) | Budgeted operating margin (%) | Pre-tax discount rate (%) |
|---------------|----------|--------------------------------|-------------------------------|---------------------------|
| SF            | EMEA     | 10.0%                          | 28.0%                         | 12.0%                     |
| DPA           | APAC     | 10.0%                          | 20.0%                         | 12.0%                     |
| Advantage Go# | EMEA     | 5.0%                           | 35.0%                         | 12.0%                     |
| BPM           | Americas | 10.0%                          | 29.0%                         | 13.0%                     |
| BPS           | Americas | 10.0%                          | 25.0%                         | 13.0%                     |

Assumptions for goodwill, for segments classified as others are based on revenue growth rates, operating margins and discount rates as applicable for respective CGUs considering the respective services/ geographies.

# For the previous year, the Group concluded recoverable amount of Advantage Go unit based on value in use calculations. For the current year, reasonable possible changes of key assumptions in the VIU calculations could cause the carrying amount of the CGU to exceed its recoverable amount. Accordingly, the Group has determined FVLCO to conclude on impairment testing for AdvantageGo CGU as at March 31, 2023 and concluded on there being no impairment.

**b) Significant estimate: impairment charge**

The Group has performed impairment testing for the above CGUs and no impairment charge has been identified as at 31 March 2023 and as at 31 March 2022.

**c) Significant estimate: Impact of possible changes in key assumptions**

The Group has considered and assessed reasonably possible change for other key assumptions and have not identified any reasonable possible change that could cause the carrying amount of any CGU to exceed its recoverable amount. If there is significant deterioration in the operations of this CGU and its expected future cash flows, this may lead to an impairment loss being recognised. Basis the methodology as discussed above, no impairment loss was recognised for the year ended March 31, 2023 and year ended March 31, 2022.

|  | As at 31<br>March 2023 | As at 31<br>March 2022 |
|--|------------------------|------------------------|
| <b>5 Financial Assets</b>  |                        |                        |
| <b>5(i) Non-current investments</b>  |                        |                        |
| <b>Investments in equity instruments (fully paid) at Fair Value through OCI</b>      |                        |                        |
| <b>Unquoted</b>  |                        |                        |
| 199,145 (Previous Year 199,145) Common shares in Relativity Technologies Inc., USA # | 0                      | 0                      |
| 953,265 (Previous Year 953,265) Common Shares in Computer Logic Inc., USA #          | 0                      | 0                      |
| <b>Total equity instruments</b>  | <b>0</b>               | <b>0</b>               |
| <b>Total Non- Current Investments</b>  | <b>0</b>               | <b>0</b>               |
| Aggregate amount of unquoted investments   | 0                      | 0                      |
| Aggregate amount of impairment in the value of investments                           | -                      | -                      |

# 0 represents amount is below the rounding off norm adopted by the Group

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|   | As at 31 March 2023 |              | As at 31 March 2022 |              |
|---|---------------------|--------------|---------------------|--------------|
|   | Current             | Non- Current | Current             | Non- Current |
| <b>5 (ii) Trade Receivables</b>   |                     |              |                     |              |
| Trade receivables   | 17,018              | 1,772        | 14,854              | 1,691        |
| Receivables from related parties [Refer note 29]  | -                   | -            | -                   | -            |
| Less: Allowance for doubtful debt   | (887)               | -            | (960)               | -            |
| <b>Total receivables</b>  | <b>16,131</b>       | <b>1,772</b> | <b>13,894</b>       | <b>1,691</b> |
| <b>Break-up of security details</b>   |                     |              |                     |              |
| Trade Receivables considered good - Secured   | -                   | -            | -                   | -            |
| Trade Receivables considered good - Unsecured   | 16,131              | 1,772        | 13,894              | 1,691        |
| Trade Receivables - credit impaired   | 887                 | -            | 960                 | -            |
| <b>Total</b>  | <b>17,018</b>       | <b>1,772</b> | <b>14,854</b>       | <b>1,691</b> |
| Allowance for doubtful debts  | (887)               | -            | (960)               | -            |
| <b>Total trade receivables</b>  | <b>16,131</b>       | <b>1,772</b> | <b>13,894</b>       | <b>1,691</b> |
| Trade receivables includes amounts yet to be billed to customers and dependent only on passage of time (unbilled) | 2,752               | 1,772        | 2,691               | 1,691        |

**Trade Receivables (Billed) ageing schedule**

| Particulars   | Outstanding for following periods from due date of payment |                    |                   |           |           |                   | As at 31 March 2023 |
|---|--|--------------------|-------------------|-----------|-----------|-------------------|---------------------|
|   | Not yet due  | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total               |
| (i) Undisputed Trade receivables – considered good  | 10,355   | 2,681              | 128               | 72        | 8         | -                 | 13,244              |
| (ii) Undisputed Trade Receivables – credit impaired | -  | 66                 | 26                | 17        | 346       | 260               | 715                 |
| (iii) Disputed Trade Receivables– considered good   | -  | -                  | -                 | -         | 76        | 61                | 137                 |
| (iv) Disputed Trade Receivables – credit impaired   | -  | -                  | -                 | -         | 76        | 61                | 137                 |

| Particulars   | Outstanding for following periods from due date of payment |                    |                   |           |           |                   | As at 31 March 2022 |
|---|--|--------------------|-------------------|-----------|-----------|-------------------|---------------------|
|   | Not yet due  | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total               |
| (i) Undisputed Trade receivables – considered good  | 8,072  | 2,625              | 319               | 50        | -         | -                 | 11,066              |
| (ii) Undisputed Trade Receivables – credit impaired | -  | 15                 | 26                | 283       | 85        | 383               | 792                 |
| (iii) Disputed Trade Receivables– considered good   | -  | -                  | -                 | 48        | 89        | -                 | 137                 |
| (iv) Disputed Trade Receivables – credit impaired   | -  | -                  | -                 | 48        | 89        | -                 | 137                 |

As at 31 March 2023, the Company has outstanding trade receivables of Rs 1,131 Mn (31 March 2022 Rs. 1,102 Mn) relating to Government customers in India [net of provision of Rs. 527 Mn (Previous year Rs. 508 Mn)]. The appropriateness of the allowance for doubtful trade 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.

During the previous year, one of the Indiann government customers of the Group with whom the contract was executed during 2014, has deducted certain amounts. The group, basis it's assessment and legal advice, considers such deductions to be arbitrary and has disputed the same and is confident of resolving it favorably.

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 29

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(All amounts in Rs Mn unless otherwise stated)

|  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
| <b>5 (iii) Other Financial Assets</b>  |                     |              |                     |              |
| (i) Derivatives  |                     |              |                     |              |
| Foreign exchange forward contracts   | 39                  | -            | 162                 | -            |
| (ii) Others  |                     |              |                     |              |
| Security deposits  |                     |              |                     |              |
| - Considered good  | 124                 | 223          | 134                 | 193          |
| - Considered doubtful  | -                   | 3            | -                   | 2            |
|  | 124                 | 226          | 134                 | 195          |
| Less : Provision for doubtful security deposits  | -                   | 3            | -                   | 2            |
|  | 124                 | 223          | 134                 | 193          |
| Interest accrued on deposits with banks  | -                   | 4            | -                   | 6            |
| Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below] | -                   | 238          | -                   | 183          |
| Finance lease recoverable  | 24                  | 14           | 23                  | 39           |
| Others [Refer note 22]   | -                   | -            | 343                 | -            |
| <b>Total other financial assets</b>  | <b>187</b>          | <b>479</b>   | <b>662</b>          | <b>421</b>   |

(a) Includes Rs. 236 Mn (Previous year Rs. 175 Mn) Held as margin money by bank against bank guarantees.

|   | As at 31 March 2023                     | As at 31 March 2022 |
|---|---|---------------------|
|   | <b>5 (iv) Cash and cash equivalents</b> |                     |
| Balances with Banks                           |   |                     |
| - in Current accounts                         | 4,165                                   | 3,547               |
| - in EEFC account                             | 1,224                                   | 919                 |
| Deposits with maturity less than three months | 191                                     | -                   |
| Cheques, drafts on hand                       | 119                                     | 2                   |
| <b>Total Cash and cash equivalents</b>        | <b>5,699</b>                            | <b>4,468</b>        |

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current year and previous year.

**Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:**

| Particulars   | As at 1 April 2022 | Cash Flow during the year |                |                | Finance charges accrued | Others       | As at 31 March 2023 |
|---|--------------------|---------------------------|----------------|----------------|-------------------------|--------------|---------------------|
|   |                    | Proceeds                  | Payment        | Net cash flows |                         |              |                     |
| Long term borrowings (including Current Maturities of long term debt)     | 3,545              | -                         | (180)          | (180)          | 17                      | -            | 3,382               |
| Dividend Payable (including Corporate Dividend Tax ) (Refer Note 1 below) | 20                 | -                         | (4,285)        | (4,285)        | -                       | 4,288        | 23                  |
| Interest on borrowings  | 289                | -                         | (714)          | (714)          | 581                     | 140          | 296                 |
| Lease liability (Refer Note 34 )  | 1,351              | -                         | (562)          | (562)          | 141                     | 1,310        | 2,240               |
| Financial liability for future acquisition (Refer note 24 iv)             | 2,908              | -                         | -              | -              | -                       | 957          | 3,865               |
|   | <b>8,113</b>       | -                         | <b>(5,741)</b> | <b>(5,741)</b> | <b>739</b>              | <b>6,695</b> | <b>9,806</b>        |



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(All amounts in Rs Mn unless otherwise stated)

| Particulars   | As at 1 April 2021 | Cash Flow during the year |                |                | Finance charges accrued | Others       | As at 31 March 2022 |
|---|--------------------|---------------------------|----------------|----------------|-------------------------|--------------|---------------------|
|   |                    | Proceeds                  | Payment        | Net cash flows |                         |              |                     |
| Long term borrowings (including Current Maturities of long term debt)     | 10                 | 3,578                     | (59)           | 3,519          | 16                      | -            | 3,545               |
| Dividend Payable (including Corporate Dividend Tax ) (Refer Note 1 below) | 17                 | -                         | (3,748)        | (3,748)        | -                       | 3,751        | 20                  |
| Interest on borrowings  | -                  | -                         | (188)          | (188)          | 463                     | 14           | 289                 |
| Lease liability (Refer Note 35)   | 816                | -                         | (546)          | (546)          | 77                      | 1,004        | 1,351               |
| Financial liability for future acquisition                                | 708                | -                         | (729)          | (729)          | -                       | 2,929        | 2,908               |
|   | <b>1,551</b>       | <b>3,578</b>              | <b>(5,270)</b> | <b>(1,692)</b> | <b>556</b>              | <b>7,698</b> | <b>8,113</b>        |

Note 1: Others include interim dividend accrued during the year.

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>5 (v) Other bank balances</b>                                  |                     |                     |
| Deposits with maturity more than 3 months but less than 12 months | 65                  | 47                  |
| Unpaid dividend account [Refer Note (a) below]                    | 23                  | 20                  |
|   | <b>88</b>           | <b>67</b>           |

(a) Can be used only to settle unpaid dividend liability.

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>6 Deferred tax assets</b>  |                     |                     |
| Deferred tax assets   | <b>3,757</b>        | <b>2,736</b>        |
| The balance comprises temporary differences attributable to:  |                     |                     |
| Provisions allowed on payment basis   | 315                 | 445                 |
| Defined benefit obligations   | 610                 | 530                 |
| Other items   | 417                 | 94                  |
| Minimum alternate tax credit entitlement  | 2,496               | 1,792               |
| <b>Gross deferred tax assets (A)</b>  | <b>3,838</b>        | <b>2,861</b>        |
| Tax impact of difference between carrying amount of property, plant and equipment in the financial statements and as per the income tax calculation             | (139)               | (89)                |
| Deferred tax asset related to fair value loss on derivative instruments not charged in the consolidated statement of Profit and Loss but taken to Balance Sheet | 58                  | (36)                |
| <b>Gross deferred tax liabilities (B)</b>   | <b>(81)</b>         | <b>(125)</b>        |
| <b>Net deferred tax assets (A-B)</b>  | <b>3,757</b>        | <b>2,736</b>        |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## Movement in deferred tax assets

| Particulars  | Deferred tax assets           |             |                   |            |                       |             |              | Deferred tax liability<br>Intangible assets* | Total        |
|--|-------------------------------|-------------|-------------------|------------|-----------------------|-------------|--------------|--|--------------|
|  | Property, plant and equipment | Derivatives | Employee benefits | Provisions | Minimum Alternate Tax | Other items | Total        |  |              |
| <b>At 31 March 2021</b>  | <b>(101)</b>                  | <b>(31)</b> | <b>298</b>        | <b>349</b> | <b>895</b>            | <b>37</b>   | <b>1,447</b> | <b>(194)</b>                                 | <b>1,253</b> |
| Created on acquisition of subsidiary   | 29                            | (2)         | 53                | 6          | -                     | 6           | 92           | (702)  | (610)        |
| Unexercised ESOPs<br>(charged)/credited:                                     | -                             | -           | 160               | -          | -                     | -           | 160          | -  | 160          |
| - to profit or loss- deferred tax  | (17)                          | -           | 16                | 90         | -                     | 51          | 140          | 166  | 306          |
| - MAT asset created from current tax expenses                                | -                             | -           | -                 | -          | 897                   | -           | 897          | -  | 897          |
| Other comprehensive income   | -                             | -           | -                 | -          | -                     | -           | -            | -  | -            |
| - cash flow hedges   | -                             | (3)         | -                 | -          | -                     | -           | (3)          | -  | (3)          |
| - Remeasurement of post - employment benefit obligations (expenses) / income | -                             | -           | 3                 | -          | -                     | -           | 3            | -  | 3            |
| Translation adjustment   | -                             | -           | -                 | -          | -                     | -           | -            | (36)   | (36)         |
| <b>At 31 March 2022</b>  | <b>(89)</b>                   | <b>(36)</b> | <b>530</b>        | <b>445</b> | <b>1,792</b>          | <b>94</b>   | <b>2,736</b> | <b>(766)</b>                                 | <b>1,970</b> |
| Created on acquisition of subsidiary   | -                             | -           | -                 | -          | -                     | -           | -            | -  | -            |
| Unexercised ESOPs<br>(charged)/credited:                                     | -                             | -           | (18)              | -          | -                     | -           | (18)         | -  | (18)         |
| - to profit or loss- deferred tax  | (50)                          | -           | 109               | (130)      | -                     | 323         | 252          | 179  | 431          |
| - MAT asset created from current tax expenses                                | -                             | -           | -                 | -          | 704                   | -           | 704          | -  | 704          |
| Other comprehensive income   | -                             | -           | -                 | -          | -                     | -           | -            | -  | -            |
| - cash flow hedges   | -                             | 95          | -                 | -          | -                     | -           | 95           | -  | 95           |
| - Remeasurement of post - employment benefit obligations (expenses) / income | -                             | -           | (11)              | -          | -                     | -           | (11)         | -  | (11)         |
| Translation adjustment   | -                             | (1)         | -                 | -          | -                     | -           | (1)          | 4  | 3            |
| <b>At 31 March 2023</b>  | <b>(139)</b>                  | <b>58</b>   | <b>610</b>        | <b>315</b> | <b>2,496</b>          | <b>417</b>  | <b>3,757</b> | <b>(583)</b>                                 | <b>3,174</b> |

## Notes:

Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements. Accordingly deferred tax assets of Rs. 3,757 Mn (Previous year Rs. 2,736 Mn) and deferred tax liability of Rs. 583 Mn (Previous year Rs. 766 Mn) have been separately disclosed.

\* Deferred tax liability on intangible assets pertains to business combination.

|  | As at 31 March 2023 |                     | As at 31 March 2022 |                     |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>7 Income tax assets (net of provisions)</b> |                     |                     |                     |                     |
| Advance Income Tax                             |                     | 14,345              |                     | 12,697              |
| Less: Provision for income tax                 |                     | 14,112              |                     | 12,090              |
| <b>Total current tax assets</b>                |                     | <b>233</b>          |                     | <b>607</b>          |
| <b>8 Contract Assets</b>                       |                     |                     |                     |                     |
| Contract assets                                |                     | 1,613               |                     | 1,282               |
| Less: Allowance for doubtful contract assets   |                     | 101                 |                     | 98                  |
| <b>Net contract assets</b>                     |                     | <b>1,512</b>        |                     | <b>1,184</b>        |
| <b>9 Other assets</b>                          |                     |                     |                     |                     |
|  | <b>Current</b>      | <b>Non- Current</b> | <b>Current</b>      | <b>Non- Current</b> |
| Capital advances                               | -                   | 4                   | -                   | 4                   |
| Advances other than capital advances           | 524                 | 20                  | 616                 | 32                  |
| Prepayments                                    | 1,189               | 162                 | 881                 | 190                 |
| Contract cost (Refer Note (a) below)           | 734                 | 1,178               | 336                 | 819                 |
| Other assets (Refer Note (b) below)            | -                   | -                   | 101                 | -                   |
|  | <b>2,447</b>        | <b>1,364</b>        | <b>1,934</b>        | <b>1,045</b>        |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

- (a) Contract costs include Rs. 185 Mn (31 March 2022 Rs. 219 Mn) as incremental cost of obtaining a contract and Rs. 1,727 Mn (31 March 2022 Rs. 936 Mn) as cost incurred for fulfilling a contract with customers. Other production expense, under other expenses include amortisation of contract costs amounting to Rs. 150 Mn (31 March 2022 Rs. 202 Mn). There is no impairment loss recognised during the current or previous year.
- (b) Represents SEIS subsidy.

**10 Equity share capital****Authorized equity share capital**

|                            | Number of shares | Amount |
|----------------------------|------------------|--------|
| <b>As at 01 April 2021</b> | 77,000,000       | 770    |
| Increase during the year   | -                | -      |
| <b>As at 31 March 2022</b> | 77,000,000       | 770    |
| Increase during the period | -                | -      |
| <b>As at 31 March 2023</b> | 77,000,000       | 770    |

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

|  | Number of shares  | Amount     |
|--|-------------------|------------|
| <b>As at 01 April 2021</b>                         | <b>60,592,349</b> | <b>606</b> |
| Issue of Shares                                    | 320,803           | 3          |
| Shares extinguished on buy back (Refer note below) |                   |            |
| <b>As at 31 March 2022</b>                         | <b>60,913,152</b> | <b>609</b> |
| Issue of Shares                                    | 173,928           | 2          |
| <b>As at 31 March 2023</b>                         | <b>61,087,080</b> | <b>611</b> |

**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.

**Shares reserved for issue under options**

Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 35.

Details of shareholders holding more than 5% shares in the Company

| Name of Shareholder                 | Equity Shares of Rs. 10 each fully paid |              |                     |              |
|-------------------------------------|---|--------------|---------------------|--------------|
|                                     | As at 31 March 2023                     |              | As at 31 March 2022 |              |
|                                     | No. of Shares held                      | % of Holding | No. of Shares held  | % of Holding |
| Hulst B.V., Netherlands             | 18,421,260                              | 30.16%       | 24,421,260          | 40.09%       |
| AXIS Mutual Fund Trustee Limited    | 3,511,443                               | 5.75%        | 3,977,821           | 6.53%        |
| Life Insurance Corporation of India | 3,586,675                               | 5.87%        | 2,064,530           | 3.39%        |

**Details of shares held by Promoters\*****As at 31 March 2023**

| Promoter name           | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % change during the year |
|-------------------------|--|------------------------|--------------------------------------|--------------------------|
| Hulst B.V., Netherlands | 24,421,260                                 | (6,000,000)            | 18,421,260                           | -24.57%                  |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**As at 31 March 2022**

| Promoter name           | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % change during the year |
|-------------------------|--|------------------------|--------------------------------------|--------------------------|
| Hulst B.V., Netherlands | 38,771,260                                 | (14,350,000)           | 24,421,260                           | -37.01%                  |

\*As defined under Companies Act 2013

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>11 Reserves and Surplus</b>                          |                     |                     |
| Capital reserves  | 11                  | 11                  |
| Capital redemption reserve                              | 36                  | 36                  |
| Securities premium                                      | 635                 | 384                 |
| Employee stock option                                   | 884                 | 575                 |
| General reserve   | 2,057               | 2,057               |
| Retained earnings                                       | 25,080              | 22,401              |
| Cash flow hedging reserve                               | (192)               | 95                  |
| Foreign currency translation reserve                    | 1,703               | 1,163               |
| <b>Total reserves and surplus</b>                       | <b>30,214</b>       | <b>26,722</b>       |
| <b>(i) Capital Reserves</b>                             |                     |                     |
| Opening Balance   | 11                  | 11                  |
| Increase/ decrease during the year                      | -                   | -                   |
| <b>Closing Balance</b>                                  | <b>11</b>           | <b>11</b>           |
| <b>(ii) Capital redemption reserve</b>                  |                     |                     |
| Opening Balance   | 36                  | 36                  |
| Increase/ decrease during the year                      | -                   | -                   |
| <b>Closing Balance</b>                                  | <b>36</b>           | <b>36</b>           |
| <b>(iii) Securities premium</b>                         |                     |                     |
| Opening Balance   | 384                 | 39                  |
| Add: Transferred from employee stock option             | 16                  | 48                  |
| Add: Premium on shares issued for exercised options     | 235                 | 297                 |
| <b>Closing Balance</b>                                  | <b>635</b>          | <b>384</b>          |
| <b>(iv) Employee stock option</b>                       |                     |                     |
| Options granted till date                               | 575                 | 523                 |
| Less: Transferred to securities premium                 | (235)               | (297)               |
| Add: Impact of fair valuation on employee stock options | 544                 | 349                 |
| <b>Closing Balance</b>                                  | <b>884</b>          | <b>575</b>          |
| <b>(v) General Reserve</b>                              |                     |                     |
| Opening Balance   | 2,057               | 2,057               |
| Increase/ decrease during the year                      | -                   | -                   |
| <b>Closing Balance</b>                                  | <b>2,057</b>        | <b>2,057</b>        |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>(vi) Retained Earnings</b>                               |                     |                     |
| Opening Balance   | 22,401              | 20,375              |
| Net profit for the period                                   | 6,938               | 6,617               |
| Add: Remeasurement gains on defined benefit plans           | 51                  | 4                   |
| Add: Tax benefit on share based payment                     | 30                  | 382                 |
| Less: Fair valuation impact on future acquisition liability | (803)               | (1,822)             |
| Less: Appropriations  |                     |                     |
| Dividend paid   | (3,537)             | (3,155)             |
| <b>Closing Balance</b>                                      | <b>25,080</b>       | <b>22,401</b>       |
| <b>(vii) Cash Flow Hedging Reserve</b>                      |                     |                     |
| Opening Balance   | 95                  | 77                  |
| Increase/ decrease during the year                          | (287)               | 18                  |
| <b>Closing Balance</b>                                      | <b>(192)</b>        | <b>95</b>           |
| <b>(viii) Foreign Currency Translation Reserve</b>          |                     |                     |
| Opening Balance   | 1,163               | 937                 |
| Increase/ decrease during the year                          | 540                 | 226                 |
| <b>Closing Balance</b>                                      | <b>1,703</b>        | <b>1,163</b>        |

**Nature and purpose of reserves****Capital Reserve**

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the company's own equity instruments to Capital Reserve.

**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.

**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, as described within Note 25. 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.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## 12 Non-controlling interests

| At 1 April 2021   | Amount     |
|---|------------|
| Add : Non-controlling share in the results for the period | 547        |
| Add: Acquisition of non controlling interest              | 2,142      |
| Less : Derecognition of NCI to Financial liability        | (1,110)    |
| Less: Dividend paid                                       | (596)      |
| <b>At 31 March 2022</b>                                   | <b>983</b> |
| Add : Non-controlling share in the results for the period | 526        |
| Add: Acquisition of non controlling interest              | -          |
| Less: Derecognition of NCI to Financial liability         | 116        |
| Less: Dividend paid                                       | (751)      |
| <b>At 31 March 2023</b>                                   | <b>874</b> |

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| <b>13 Financial liabilities</b>   |                     |                     |
| <b>13(i) Non Current Borrowings</b>                                     |                     |                     |
| <b>Unsecured Loans</b>  |                     |                     |
| <b>Bonds</b>  |                     |                     |
| Listed, Rated, Redeemable, Non-Convertible Bonds [Refer note (a) below] | 3,382               | 3,365               |
| <b>Total non current borrowings</b>                                     | <b>3,382</b>        | <b>3,365</b>        |
| <b>13(ii) Current Borrowings</b>  |                     |                     |
| <b>Secured Loans</b>  |                     |                     |
| <b>Loan repayable on demand</b>   |                     |                     |
| From Bank   | -                   | 178                 |
| <b>Current maturities of borrowings</b>                                 |                     |                     |
| <b>Secured Loans</b>  |                     |                     |
| From Financial Institutions   | -                   | 2                   |
| <b>Total current borrowings</b>   | <b>-</b>            | <b>180</b>          |

(a) Listed, Rated, Redeemable, Non-Convertible Bonds are unsecured and have maturity of five years from the deemed date of allotment i.e April 26, 2021. Interest reset will occur on the dates falling three years and four years from the Deemed Date of Allotment. The Company may redeem the whole or any part of the Bonds on the first Interest Reset Date i.e. April 26, 2024 or anytime thereafter. The effective interest rate of NCB for first three years is as follows:

If the Security Trigger occurs on a date falling on or prior to the date falling three years from the Deemed Date of Allotment- 7.49% - 8.39%. In other case if the security trigger does not occur- 8.39% - 9.34%.

|                              | As at 31 March 2023 |              | As at 31 March 2022 |              |
|------------------------------|---------------------|--------------|---------------------|--------------|
|                              | Current             | Non- Current | Current             | Non- Current |
| <b>13(iii) Trade payable</b> |                     |              |                     |              |
| Trade Payable                | 6,481               | 332          | 6,160               | 364          |
| <b>Total trade payable</b>   | <b>6,481</b>        | <b>332</b>   | <b>6,160</b>        | <b>364</b>   |

There are no overdue amount payable to micro enterprises and small enterprises as at March 31, 2023 and March 31, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## Trade Payables aging schedule (Billed) -Outstanding for following periods from due date of payment

## As at 31 March 2023

| Particulars | Not Due | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | Total |
|-------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME    | 289     | 7                | -          | -         | -                 | 296   |
| (ii) Others | 1,371   | 1,925            | 20         | 16        | 27                | 3,359 |

## As at 31 March 2022

| Particulars | Not Due | Less than 1 year | 1 -2 years | 2-3 years | More than 3 years | Total |
|-------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME    | 2       | 167              | -          | -         | -                 | 169   |
| (ii) Others | 1,354   | 1,594            | 11         | 5         | 13                | 2,977 |

## 13(iv) Other Financial Liabilities

|  |       |     |       |       |
|--|-------|-----|-------|-------|
| Capital creditors  | 426   | -   | 100   | -     |
| Unclaimed dividend   | 23    | -   | 20    | -     |
| Financial liability for future acquisition (Refer note 32) | 3,653 | 212 | -     | 2,908 |
| Other employee benefits payable                            | 2,658 | -   | 1,955 | -     |
| Interest accrued but not Due                               | 296   | -   | 289   | -     |
| Others   | 17    | 112 | -     | -     |
| <i>Derivatives</i>   |       |     |       |       |
| Foreign exchange forward contracts                         | 304   | -   | 34    | -     |

**Total other financial liabilities**

|  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
|  | 426                 | -            | 100                 | -            |
|  | 23                  | -            | 20                  | -            |
|  | 3,653               | 212          | -                   | 2,908        |
|  | 2,658               | -            | 1,955               | -            |
|  | 296                 | -            | 289                 | -            |
|  | 17                  | 112          | -                   | -            |
|  | 304                 | -            | 34                  | -            |
| <b>Total other financial liabilities</b> | <b>7,377</b>        | <b>324</b>   | <b>2,398</b>        | <b>2,908</b> |

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(2)(c) of the Companies Act, 2013 as at the year end.

## 14 Employee benefit obligations

|   | As at 31 March 2023 |              |              | As at 31 March 2022 |              |              |
|---|---------------------|--------------|--------------|---------------------|--------------|--------------|
|   | Current             | Non Current  | Total        | Current             | Non Current  | Total        |
| Leave obligations (i)                     | 279                 | 500          | 779          | 226                 | 440          | 666          |
| Gratuity (iii)                            | 81                  | 776          | 857          | 90                  | 607          | 696          |
| <b>Total employee benefit obligations</b> | <b>360</b>          | <b>1,276</b> | <b>1,636</b> | <b>316</b>          | <b>1,047</b> | <b>1,362</b> |

## (i) Leave Obligations

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

The following amounts reflect leave that is expected to be taken or paid within next 12 months

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| Current leave obligations expected to be settled within next 12 months | 279                 | 226                 |

## (ii) Defined contribution plans

The Group makes contribution towards Superannuation Fund, Pension Fund, Employee State Insurance Fund and Overseas Plans (related to the Branches in the United States of America, Ireland, Belgium and Switzerland), being defined contribution plans for eligible employees. The Group has charged the following amount in the Statement of Profit and Loss:

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Amount recognized in the Statement of Profit and Loss</b> |                             |                             |
| Superannuation fund paid to the Trust                        | 19                          | 14                          |
| Contribution plans (outside India)                           | 1,288                       | 1,196                       |
| Employees state insurance fund paid to the authorities       | 24                          | 15                          |
| Pension fund paid to the authorities                         | 271                         | 268                         |
| Provident Fund - RPF   | 192                         | 112                         |
| <b>Total</b>   | <b>1,793</b>                | <b>1,605</b>                |

**Defined benefit plans**

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. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The expense recognized during the period towards defined benefit plan is as follows:

The Group contributed Rs. 615 Mn (Previous year Rs.318 Mn) during the year to the Trust, which has been charged to Statement of Profit and Loss.

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| <b>(a) Amount of obligation as at the year end is determined as under:</b> |                     |                     |
| <b>Description</b>   |                     |                     |
| Present value of obligation as at the beginning of the year                | 4,742               | 3,798               |
| Interest cost  | 435                 | 350                 |
| Current service cost   | 582                 | 295                 |
| Benefits paid  | (707)               | (495)               |
| Plan Participant's Contributions   | 791                 | 461                 |
| Transfer In  | 593                 | 376                 |
| Actuarial gain on obligation   | (259)               | (43)                |
| <b>Present value of obligation as at the end of the year</b>               | <b>6,177</b>        | <b>4,742</b>        |
| <b>(b) Change in Plan Assets :</b>   |                     |                     |
| <b>Description</b>   |                     |                     |
| Plan assets at beginning at fair value                                     | 4,742               | 3,798               |
| Return on plan assets  | 435                 | 350                 |
| Employer contributions   | 582                 | 295                 |
| Benefits paid  | (707)               | (495)               |
| Plan Participant's Contributions   | 791                 | 461                 |
| Transfers In   | 593                 | 376                 |
| Actuarial loss on plan assets  | (259)               | (43)                |
| <b>Plan assets at year end at fair value</b>                               | <b>6,177</b>        | <b>4,742</b>        |
| <b>(c) Amount of the obligation recognised in Balance Sheet :</b>          |                     |                     |
| <b>Description</b>   |                     |                     |
| Present value of the defined benefit obligation as at the end of the year  | 6,177               | 4,742               |
| Fair value of plan assets at the end of the year                           | 6,177               | 4,742               |
| Liability/(Assets) recognized in the Balance Sheet                         | -                   | -                   |

The fair value of the plan assets is in surplus, assets are set equal to the liabilities to ensure consistency with the PF trust act.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|  | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| <b>(d) Principal actuarial assumptions at the Balance Sheet date</b> |                     |                     |
| Discount Rate  | 7.40%               | 7.22%               |
| <b>Attrition rate</b>  |                     |                     |
| Upto 30 years : 16%,   |                     |                     |
| 31 - 34 years : 10%,   |                     |                     |
| 35 - 44 years : 5%,  |                     |                     |
| 45 - 50 years : 3%,  |                     |                     |
| 51 - 54 years : 2%,  |                     |                     |
| 55 years & above : 1%  |                     |                     |
| Return on Assets for Exempt PF Fund                                  | 7.32%               | 6.64%               |
| Long term EPFO Rate  | 8.15%               | 8.10%               |
| <b>Description</b>   |                     |                     |
| Experience Gain/(Loss) adjustments on plan liabilities               | 435                 | (43)                |
| Experience Gain/(Loss) adjustments on plan assets                    | 4,742               | (43)                |
| Expected Contribution to the fund in the next year                   | 652                 | 330                 |

## (iii) Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of completed service.

The gratuity plan is a funded plan and the Group makes contributions to recognized funds in India.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2022

|   | Present Value of<br>Obligation | Fair Value of<br>Plan Assets | Net Amount  |
|---|--------------------------------|------------------------------|-------------|
| <b>1 April 2021</b>   | <b>622</b>                     | <b>(211)</b>                 | <b>411</b>  |
| Gratuity from acquired entity                                     | 138                            | (6)                          | 132         |
| Current Service Cost  | 171                            | -                            | 171         |
| Interest expense/ (income)  | 45                             | (16)                         | 29          |
| <b>Total amount recognized in statement of profit or loss</b>     | <b>354</b>                     | <b>(16)</b>                  | <b>332</b>  |
| <i>Remeasurements</i>   |                                |                              |             |
| Actuarial changes arising from changes in demographic assumptions | (7)                            | -                            | (7)         |
| Actuarial changes arising from changes in financial assumptions   | (33)                           | -                            | (33)        |
| Experience adjustments  | 24                             | 3                            | 27          |
| Exchange differences  | -                              | 2                            | 2           |
| <b>Total amount recognized in other comprehensive income</b>      | <b>(16)</b>                    | <b>5</b>                     | <b>(11)</b> |
| Employer's Contributions  | -                              | (17)                         | (17)        |
| Benefits paid   | (132)                          | 114                          | (18)        |
| <b>31 March 2022</b>  | <b>827</b>                     | <b>(131)</b>                 | <b>697</b>  |

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(All amounts in Rs Mn unless otherwise stated)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2023

|   | Present Value of<br>Obligation | Fair Value of<br>Plan Assets | Net Amount  |
|---|--------------------------------|------------------------------|-------------|
| <b>1 April 2022</b>   | <b>827</b>                     | <b>(131)</b>                 | <b>697</b>  |
| Gratuity from acquired entity                                     | -                              | -                            | -           |
| Current Service Cost  | 263                            | -                            | 263         |
| Interest expense/ (income)  | 52                             | (9)                          | 43          |
| <b>Total amount recognized in statement of profit or loss</b>     | <b>315</b>                     | <b>(9)</b>                   | <b>306</b>  |
| <i>Remeasurements</i>   |                                |                              |             |
| Actuarial changes arising from changes in demographic assumptions | 8                              | -                            | 8           |
| Actuarial changes arising from changes in financial assumptions   | (155)                          | -                            | (155)       |
| Experience adjustments  | 75                             | 2                            | 77          |
| Exchange differences  | 9                              | -                            | 9           |
| <b>Total amount recognized in other comprehensive income</b>      | <b>(63)</b>                    | <b>2</b>                     | <b>(61)</b> |
| Employer's Contributions  | -                              | (32)                         | (32)        |
| Benefits paid   | (152)                          | 100                          | (52)        |
| <b>31 March 2023</b>  | <b>927</b>                     | <b>(70)</b>                  | <b>857</b>  |

The net liability disclosed above relates to funded and unfunded plans as follows:

|   | As at 31 March 2023 |                  |            | As at 31 March 2022 |                  |            |
|---|---------------------|------------------|------------|---------------------|------------------|------------|
|   | India               | Outside<br>India | Total      | India               | Outside<br>India | Total      |
| Present value of defined benefit obligation | 836                 | -                | 836        | 719                 | -                | 719        |
| Fair value of plan assets                   | (70)                | -                | (70)       | (131)               | -                | (131)      |
| <b>Net defined benefit obligation</b>       | <b>766</b>          | <b>-</b>         | <b>766</b> | <b>588</b>          | <b>-</b>         | <b>588</b> |
| Unfunded plans                              | -                   | 92               | 92         | -                   | 109              | 109        |
| <b>Total defined benefit obligation</b>     | <b>766</b>          | <b>92</b>        | <b>857</b> | <b>588</b>          | <b>109</b>       | <b>696</b> |

## Post employment benefits

The significant actuarial assumptions were as follows:

|                               | As at 31 March 2023 |                     | As at 31 March 2022 |                  |
|-------------------------------|---------------------|---------------------|---------------------|------------------|
|                               | India               | Others              | India               | Others           |
| Discount rate                 | 7.3% to 7.44%       | 2.26% to 6.43%      | 6.79% to 7.35%      | 1.95% to 5.18%   |
| Future salary increase        | 0% to 10%           | 2% to 5%            | 5% to 12%           | 2% to 5%         |
| Life expectancy (In years)    | 4.91 to 10.23       | 1.55 to 12.88 Years | 6.49 to 26.08       | 6 to 13.12 Years |
| Rate of return on plan assets | 7.3% to 7.44%       | -                   | 6.79% to 7.35%      | -                |

## Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

|                    | Change in assumptions |                 | Impact on defined benefit obligation |             |                        |             |
|--------------------|-----------------------|-----------------|--------------------------------------|-------------|------------------------|-------------|
|                    |                       |                 | Increase in assumption               |             | Decrease in assumption |             |
|                    | 31 March 23           | 31 March 22     | 31 March 23                          | 31 March 22 | 31 March 23            | 31 March 22 |
| Discount rate      | 50 Basis Points       | 50 Basis Points | (41)                                 | (40)        | 49                     | 43          |
| Salary growth rate | 50 Basis Points       | 50 Basis Points | 49                                   | 43          | (42)                   | (40)        |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The major categories of plan assets are as follows:

|                              | As at 31 March 2023 |       |      | As at 31 March 2022 |       |      |
|------------------------------|---------------------|-------|------|---------------------|-------|------|
|                              | Quoted              | Total | in % | Quoted              | Total | in % |
| Insurance Companies Products | 70                  | 70    | 100% | 131                 | 131   | 100% |

The following payments are expected contributions to the defined benefit plan in future years:

|               | Less than a year | Between 1 - 2 years | Between 2 - 5 years | Over 5 years | Total |
|---------------|------------------|---------------------|---------------------|--------------|-------|
| 31 March 2023 | 96               | 90                  | 464                 | 1,562        | 2,212 |
| 31 March 2022 | 58               | 48                  | 247                 | 1,221        | 1,574 |

- (iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

|  | As at 31 March 2023 |              | As at 31 March 2022 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | Current             | Non- Current | Current             | Non- Current |
| <b>15 Other liabilities</b>  |                     |              |                     |              |
| Advances from customers  | 35                  | -            | 22                  | -            |
| Payroll taxes  | 6                   | -            | 159                 | -            |
| Statutory dues including provident fund and tax deducted at source | 2,119               | -            | 1,605               | -            |
| Contract liabilities   | 561                 | 59           | 538                 | 51           |
| <b>Total other liabilities</b>                                     | <b>2,721</b>        | <b>59</b>    | <b>2,324</b>        | <b>51</b>    |

|  | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--------------------------|--------------------------|
| <b>16 Revenue from operations</b>  |                          |                          |
| Sales of products  | 753                      | 2,333                    |
| Sale of services   | 79,393                   | 61,987                   |
| <b>Total revenue from operations</b>   | <b>80,146</b>            | <b>64,320</b>            |
| <b>Timing of revenue recognition</b>   |                          |                          |
| Goods transferred at a point in time   | 753                      | 2,333                    |
| Services transferred over time   | 79,393                   | 61,987                   |
| <b>Total revenue from contracts with customers</b>   | <b>80,146</b>            | <b>64,320</b>            |
| <b>Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price</b> |                          |                          |
| Revenue as per contracted price  | 80,999                   | 64,600                   |
| Hedge (loss) / gain  | (239)                    | 224                      |
| Discount (including volume discount) and others  | (614)                    | (504)                    |
| <b>Total Revenue from contract with customers</b>  | <b>80,146</b>            | <b>64,320</b>            |

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(All amounts in Rs Mn unless otherwise stated)

Note : The group deals in number of software and hardware items whose selling price vary from item to item. In view of voluminous data information relating to major items of sales have not been disclosed in the consolidated financial statements.

**Payment Terms**

Majority of the Group's revenue involve payment terms less than one year from the date of satisfaction of performance obligation. However, in case of contracts for grant of right of use for license, payments are due over license period. In these cases, the Group has identified that the contract contains significant financing component.

**Disclosures related to revenue from contract with customers****a. Disaggregate revenue information**

Refer note 30 for geographical revenue disaggregation. In addition the group maintain revenue by verticals:

The table below presents disaggregated revenues from operations by verticals:

| Vertical                               | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Banking and financial services         | 24,619                      | 16,420                      |
| Insurance                              | 18,152                      | 18,187                      |
| Travel, transportation and hospitality | 15,326                      | 12,220                      |
| All Others                             | 22,049                      | 17,493                      |
| <b>Total Revenue</b>                   | <b>80,146</b>               | <b>64,320</b>               |

| Revenue by Service line                 | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Application Development and Maintenance | 20,998                      | 15,970                      |
| Cloud and Infrastructure Management     | 14,667                      | 11,495                      |
| Business Process Management             | 7,934                       | 6,853                       |
| Product Engineering                     | 8,095                       | 7,698                       |
| Data and Integration                    | 18,834                      | 13,405                      |
| Intelligent Automation                  | 9,618                       | 8,899                       |
| <b>Total Revenue</b>                    | <b>80,146</b>               | <b>64,320</b>               |

| Revenue by Project type | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------------------|-----------------------------|-----------------------------|
| Time-and-material       | 38,470                      | 28,159                      |
| Fixed-price*            | 41,676                      | 36,161                      |
| <b>Total Revenue</b>    | <b>80,146</b>               | <b>64,320</b>               |

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

**Particulars pertaining to contract assets [Refer note 8]**

|  |              |            |
|--|--------------|------------|
| <b>Balance at the beginning</b>  | <b>1,184</b> | <b>629</b> |
| Contract assets classified to trade receivable upon billing to customer out of opening contract assets | 1,176        | 616        |

Also refer note 5(ii) for trade receivables

**Particulars pertaining to contract liability (Refer note 15)**

|  |            |            |
|--|------------|------------|
| <b>Balance at the beginning</b>                                    | <b>589</b> | <b>515</b> |
| Revenue recognized during the year from opening contract liability | 203        | 515        |

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in IndAS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, fixed monthly /



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

fixed capacity basis and transaction basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023, other than those meeting the exclusion criteria mentioned above, is Rs. 5,591 Mn (31 March 2022 Rs. 3,789 Mn). Out of this, the Group expects to recognize revenue of around Rs. 3,283 Mn (31 March 2022 Rs. 2,033 Mn) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>17 Other Income</b>  |                             |                             |
| Dividend income from investment in mutual funds   | -                           | 2                           |
| Interest Income from financial assets at amortised cost   | 157                         | 110                         |
| Gain on sale of Investments in mutual funds   | -                           | 3                           |
| Income on Financial Investments at fair value through profit and loss   | 5                           | -                           |
| Finance income  | 162                         | 115                         |
| Government incentives   | 121                         | 170                         |
| Gain on exchange fluctuations (net)   | 259                         | 161                         |
| Profit on sale of asset   | -                           | 6                           |
| Miscellaneous income  | 77                          | 66                          |
| <b>Total other income</b>   | <b>619</b>                  | <b>518</b>                  |
| <b>18 Employee benefits expense</b>   |                             |                             |
| Salaries, wages and bonus   | 43,895                      | 35,561                      |
| Contribution to provident (and other) funds   | 2,408                       | 1,924                       |
| Employee share-based payment expense (Refer note 35)  | 574                         | 382                         |
| Gratuity  | 306                         | 200                         |
| Staff welfare expenses (Refer Note below)   | 1,097                       | 279                         |
| <b>Total employee benefit expense</b>   | <b>48,280</b>               | <b>38,346</b>               |
| Employee benefit expenses includes Rs.803 Mn towards special non monetary incentive awarded to the employees of the Group on achievement of certain milestone of revenue by Group in the current financial year. The corresponding liability is included in the other financial liability |                             |                             |
| <b>19 Depreciation and amortization expense</b>   |                             |                             |
| Depreciation of property, plant and equipment (Refer note 3)  | 845                         | 812                         |
| Depreciation of right of use assets (Refer note 35)   | 469                         | 411                         |
| Amortisation of intangible assets (Refer note 4)  | 1,271                       | 1,049                       |
| <b>Total depreciation and amortization expense</b>  | <b>2,585</b>                | <b>2,272</b>                |

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(All amounts in Rs Mn unless otherwise stated)

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>20 Other expenses</b>  |                             |                             |
| Rent  | 211                         | 231                         |
| Rates and taxes   | 5                           | 20                          |
| Electricity and water   | 158                         | 139                         |
| Communication expenses  | 321                         | 341                         |
| Legal and professional  | 861                         | 960                         |
| Travelling and conveyance   | 828                         | 272                         |
| Recruitment expenses  | 516                         | 628                         |
| Insurance premium   | 117                         | 117                         |
| Repairs and maintenance   |                             |                             |
| - Plant and machinery   | 447                         | 633                         |
| - Buildings   | 46                          | 60                          |
| - Others  | 184                         | 158                         |
| Allowance for doubtful debts - trade receivables and unbilled revenue | 72                          | 16                          |
| Lease rentals   | 11                          | 9                           |
| Loss on sales of assets (net)   | 13                          | -                           |
| Expenditure towards corporate social responsibilities activities      | 128                         | 104                         |
| Advertisement and publicity expenses                                  | 93                          | 141                         |
| Business promotion expenses   | 164                         | 50                          |
| Professional charges  | 9,267                       | 6,572                       |
| Equipment hiring  | 11                          | 21                          |
| Other production expenses (incl. third party license cost)            | 4,751                       | 2,352                       |
| Miscellaneous expenses  | 304                         | 407                         |
| <b>Total other expenses</b>   | <b>18,508</b>               | <b>13,231</b>               |
| <b>21 Finance costs</b>   |                             |                             |
| Interest on borrowings  | 598                         | 479                         |
| Bank and financial charges  | 38                          | 41                          |
| Unwinding of discounts  | 170                         | 130                         |
| <b>Total finance costs</b>  | <b>806</b>                  | <b>650</b>                  |
| <b>22 Exceptional Item</b>  |                             |                             |
| <b>Total</b>  | <b>523</b>                  | <b>-</b>                    |

The shareholders in the Annual General Meeting held on July 30, 2021, approved raising of funds in one or more tranches by the issuance of equity shares and/or depository receipts and/or other eligible securities. Subsequently, the Company filed a draft registration statement with the U.S. Securities & Exchange Commission for registration of its American Depository Receipts ("Offering"). In accordance with the underlying arrangements, the expenses pertaining to the offering shall be borne by the Selling Shareholder upon successful completion of the offering. Accordingly Rs. 523 Mn was considered as recoverable from the selling shareholder.

Currently the market conditions are not supportive of the offering. Considering the uncertainty of timing of the offering, the Group during the current quarter has recorded provision of Rs. 523 Mn and disclosed the same as exceptional item in the financial statements.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**23 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.

**(a) Income tax expense****Current tax**

|  |              |              |
|--|--------------|--------------|
| Current tax on operating profits of the period | 3,130        | 2,762        |
| Adjustments for current tax of prior periods   | 65           | (91)         |
| MAT Credit                                     | (703)        | (897)        |
| <b>Total current tax expense</b>               | <b>2,492</b> | <b>1,774</b> |

**Deferred tax**

|  |              |              |
|--|--------------|--------------|
| (Increase) decrease in deferred tax assets (Employee benefits, provisions and others)* | (302)        | (157)        |
| (Decrease) in deferred tax liabilities (PPE)   | 50           | 17           |
| (Decrease) in deferred tax liabilities (intangible assets)                             | (179)        | (166)        |
| <b>Total deferred tax benefit</b>  | <b>(431)</b> | <b>(306)</b> |

**Income tax expense**

|  |              |              |
|--|--------------|--------------|
|  | <b>2,061</b> | <b>1,468</b> |
|--|--------------|--------------|

**(b) Amount recognised directly in equity outside profit or loss**

|                    |    |     |
|--------------------|----|-----|
| Deferred tax asset | 30 | 382 |
|--------------------|----|-----|

**(c) Tax Losses**

|   |     |     |
|---|-----|-----|
| Unused tax losses for which no deferred tax asset has been recognised due to no reasonable certainty of realisation | 167 | 670 |
| Potential tax benefit   | 50  | 188 |

In previous year above includes additions due to business combination (refer note 32) of unused tax losses amounting to INR 372 Mn and potential tax benefits amounting to INR 99 Mn.

**(d) Unrecognised temporary differences**

Certain subsidiaries of the Group have undistributed earnings, which are expected to be distributed as dividend. The group follows policy of further distributing dividend received from subsidiaries to its shareholders. The Indian Income Tax Act allows the parent company credit for taxes paid by its subsidiaries on dividend. Accordingly, no deferred tax liability has been recorded on such undistributed earnings.

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>(e) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b> |                             |                             |
| Profit from continuing operations before income tax expense  | 9,512                       | 8,615                       |
| <b>Tax at the Indian tax rate of 34.944% (for FY 2021-22: 34.944%)</b>                             | <b>3,324</b>                | <b>3,010</b>                |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income:            |                             |                             |
| <b>Impact of deductions</b>  |                             |                             |
| Effect of tax holiday benefits and exemptions  | (846)                       | (749)                       |
| Others   | -                           | 2                           |
| <b>Impact of permanent differences</b>   |                             |                             |
| Expenses to the extent disallowable  | 219                         | 22                          |
| Tax provision for current tax of prior periods   | 65                          | (91)                        |
| DTA/(DTL) not created on provisions for Exempted Units   | 54                          | -                           |
| Others   | (81)                        | (74)                        |
| <b>Others</b>  |                             |                             |
| Effect of differential tax rates   | (674)                       | (652)                       |
| <b>Income tax expense</b>  | <b>2,061</b>                | <b>1,468</b>                |

\*It includes deferred tax recognized during the current year, consequent to certain amendments in the customer agreement, the Group re-assessed the future projections of taxable profits of one of its foreign subsidiary and recorded deferred tax assets on losses of that subsidiary amounting to INR 108 Mn

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(All amounts in Rs Mn unless otherwise stated)

## 24 Fair value measurements

The carrying value and fair value of financial instruments by categories as of 31 March 2023 and 31 March 2022 were as follows:

|                                    | As at 31 March 2023 |            |                |                 |              |
|------------------------------------|---------------------|------------|----------------|-----------------|--------------|
|                                    | FVTPL               | FVTOCI     | Amortized Cost | Carrying amount | Fair value   |
| <b>Financial assets</b>            |                     |            |                |                 |              |
| Trade receivables                  | -                   | -          | 1,772          | 1,772           | 1,772        |
| Derivative instruments             | -                   | 39         | -              | 39              | 39           |
| Other long-term financial assets   | -                   | -          | 479            | 479             | 479          |
| <b>Total Financial assets</b>      | <b>-</b>            | <b>39</b>  | <b>2,251</b>   | <b>2,290</b>    | <b>2,290</b> |
| <b>Financial liabilities</b>       |                     |            |                |                 |              |
| Non current borrowings             | -                   | -          | 3,382          | 3,382           | 3,382        |
| Non controlling interest           | -                   | -          | -              | 3,865           | 3,865        |
| Trade payable                      | -                   | -          | 332            | 332             | 332          |
| Derivative instruments             | -                   | 304        | -              | -               | -            |
| <b>Total Financial liabilities</b> | <b>-</b>            | <b>304</b> | <b>3,714</b>   | <b>7,579</b>    | <b>7,579</b> |

|                                    | As at 31 March 2022 |            |                |                 |              |
|------------------------------------|---------------------|------------|----------------|-----------------|--------------|
|                                    | FVTPL               | FVTOCI     | Amortized Cost | Carrying amount | Fair value   |
| <b>Financial assets</b>            |                     |            |                |                 |              |
| Trade receivables                  | -                   | -          | 1,691          | 1,691           | 1,691        |
| Derivative instruments             | -                   | 162        | -              | 162             | 162          |
| Other long-term financial assets   | -                   | -          | 421            | 421             | 421          |
| <b>Total Financial assets</b>      | <b>-</b>            | <b>162</b> | <b>2,112</b>   | <b>2,274</b>    | <b>2,274</b> |
| <b>Financial liabilities</b>       |                     |            |                |                 |              |
| Non current borrowings             | -                   | -          | 3,365          | 3,365           | 3,365        |
| Non controlling interest           | -                   | -          | -              | 2,908           | 2,908        |
| Trade payable                      | -                   | -          | 364            | 364             | 364          |
| Derivative instruments             | -                   | 34         | -              | 34              | 34           |
| <b>Total Financial liabilities</b> | <b>-</b>            | <b>34</b>  | <b>3,729</b>   | <b>6,671</b>    | <b>6,671</b> |

Financial liability for future acquisition amounting to Rs. 3,865 Mn (31 March 2022: Rs. 2,908 Mn) has been measured through fair valuation by other equity. Also refer note 32.

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.

## (i) Fair value hierarchy

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

- recognized and measured at fair value and
- 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.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

| Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2023 |         |            |              |              |
|--|---------|------------|--------------|--------------|
|  | Level 1 | Level 2    | Level 3      | Total        |
| <b>Financial assets</b>  |         |            |              |              |
| <i>Derivatives designated as hedges</i>  |         |            |              |              |
| Derivative Financial Asset   | -       | 39         | -            | 39           |
| <b>Total financial assets</b>  | -       | <b>39</b>  | -            | <b>39</b>    |
| <b>Financial Liability</b>   |         |            |              |              |
| <i>Derivatives designated as hedges</i>  |         |            |              |              |
| Derivative Financial Liability   | -       | 304        | -            | 304          |
| <i>Other financial liabilities</i>   |         |            |              |              |
| Future acquisition liability   | -       | -          | 3,865        | 3,865        |
| <b>Total financial Liability</b>   | -       | <b>304</b> | <b>3,865</b> | <b>4,169</b> |

| Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2022 |         |            |              |              |
|--|---------|------------|--------------|--------------|
|  | Level 1 | Level 2    | Level 3      | Total        |
| <b>Financial assets</b>  |         |            |              |              |
| <i>Derivatives designated as hedges</i>  |         |            |              |              |
| Derivative Financial Asset   | -       | 162        | -            | 162          |
| <b>Total financial assets</b>  | -       | <b>162</b> | -            | <b>162</b>   |
| <b>Financial Liability</b>   |         |            |              |              |
| <i>Derivatives designated as hedges</i>  |         |            |              |              |
| Derivative Financial Liability   | -       | 34         | -            | 34           |
| <i>Other financial liabilities</i>   |         |            |              |              |
| Future acquisition liability   | -       | -          | 2,908        | 2,908        |
| <b>Total financial Liability</b>   | -       | <b>34</b>  | <b>2,908</b> | <b>2,942</b> |

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) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Inputs used in the valuation models

## (a) Financial liability for future acquisition-

- (i) Revenue inputs - Based on past performance and management's expectations of market development.
- (ii) Budgeted operating margin - Based on past performance and management's expectations for the future.
- (iii) Pre-tax discount rates - Reflect specific risks relating to the relevant geography in which they operate. hence classified under Level 3 hierarchy

Quantitative details of input used in valuation of financial liability for future acquisition

|                                | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--------------------------------|-----------------------------|-----------------------------|
| Revenue (% annual growth rate) | 10%                         | 10%                         |
| Budgeted operating margin (%)  | 28.00%                      | 23.50%                      |
| Pre-tax discount rate (%)      | 13.5%                       | 13.5%                       |

If the revenue/ budgeted operating margin unobservable inputs used in the valuation of Level 3 financial liability for future acquisition had been 1% change than management's estimates at 31 March 2023, does not have significant impact in its value and other equity.

## (iii) 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 31 March 2023 is Rs. 3,865 Mn (31 March 2022: Rs. 2,908 Mn).

## (iv) Movement of Financial liability for future acquisition

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Opening future acquisition liability                  | 2,908                       | 708                         |
| Additional stake acquisition payout                   | -                           | (729)                       |
| Derecognition of NCI/ addition to financial liability | 151                         | 1,110                       |
| Fair value through P&L                                | (5)                         | -                           |
| Fair value through other equity                       | 811                         | 1,819                       |
| <b>Closing future acquisition liability</b>           | <b>3,865</b>                | <b>2,908</b>                |

## 25 (i) Hedging activities and derivatives

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 March 2023, the Group hedged 75% (31 March 2022: 75%), of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

The Group is holding the following foreign exchange forward contracts (highly probable forecasted sales)

**As at March 31, 2023**

| Particulars           | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | Total  |
|-----------------------|-------------------|---------------|---------------|---------------|----------------|--------|
| USD /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 1,209             | 2,712         | 3,677         | 3,198         | 2,560          | 13,356 |
| Average forward rate  | 80.38             | 81.18         | 82.37         | 83.84         | 83.89          | 82.57  |
| GBP /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 441               | 1,245         | 1,526         | 1,608         | 1,407          | 6,226  |
| Average forward rate  | 99.92             | 100.21        | 98.31         | 100.56        | 102.86         | 100.39 |
| EUR /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 33                | 66            | 145           | 130           | 116            | 490    |
| Average forward rate  | 86.86             | 86.97         | 86.36         | 88.48         | 91.91          | 88.30  |
| AUD /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 46                | 86            | 117           | 123           | 93             | 465    |
| Average forward rate  | 56.56             | 56.15         | 56.05         | 57.05         | 57.45          | 56.66  |

**As at March 31, 2022**

| Particulars           | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | Total  |
|-----------------------|-------------------|---------------|---------------|---------------|----------------|--------|
| USD /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 1,029             | 2,003         | 2,686         | 2,335         | 1,982          | 10,034 |
| Average forward rate  | 76.68             | 76.45         | 77.09         | 78.29         | 78.29          | 77.43  |
| GBP /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 201               | 502           | 607           | 549           | 486            | 2,346  |
| Average forward rate  | 106.45            | 106.32        | 105.41        | 105.18        | 104.60         | 105.47 |
| EUR /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 42                | 82            | 108           | 84            | 68             | 384    |
| Average forward rate  | 92.42             | 91.66         | 90.78         | 89.96         | 89.51          | 90.73  |
| AUD /INR              |                   |               |               |               |                |        |
| Notional amount (INR) | 46                | 92            | 121           | 107           | 93             | 458    |
| Average forward rate  | 57.03             | 56.49         | 55.81         | 56.72         | 57.17          | 56.55  |

The impact of the hedging instruments on the balance sheet is, as follows:

| Foreign exchange forward contracts | Notional amount | Carrying amount | Line item in the statement of financial position                    | Change in fair value used for measuring ineffectiveness for the period |
|------------------------------------|-----------------|-----------------|---|--|
| At 31 March 2023                   | 20,537          | (265)           | Derivative instruments under current financial assets / liabilities | -  |
| At 31 March 2022                   | 13,222          | 128             | Derivative instruments under current financial assets / liabilities | -  |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**Impact of hedging activities**

(a) Disclosure of effects of hedge accounting on financial position:

| Type of hedge and risks  | As at 31 March 2023                   |             |                          | As at 31 March 2022                   |             |                          |
|--|---------------------------------------|-------------|--------------------------|---------------------------------------|-------------|--------------------------|
|  | Carrying amount of hedging instrument |             | Maturity period          | Carrying amount of hedging instrument |             | Maturity period          |
|  | Assets                                | Liabilities |                          | Assets                                | Liabilities |                          |
| Cash flow hedge<br>Foreign exchange risk<br>Foreign exchange forward contracts | 39                                    | 304         | April 2022 to March 2023 | 162                                   | 34          | April 2022 to March 2023 |

(b) Disclosure of effects of hedge accounting on financial performance

| Type of Hedge                            | Change in the value of hedging instrument recognised in other comprehensive income* |                          | Amount reclassified from cash flow hedging reserve to profit or loss |                          | Line item affected in statement of profit and loss because of the reclassification |                          |
|--|---|--------------------------|--|--------------------------|--|--------------------------|
|  | Year ended 31 March 2023  | Year ended 31 March 2022 | Year ended 31 March 2023   | Year ended 31 March 2022 | Year ended 31 March 2023   | Year ended 31 March 2022 |
| Cash flow hedge<br>Foreign exchange risk | (298)   | 18                       | (239)  | 224                      | Revenue  | Revenue                  |

\*The resultant impact on the cash flow hedge reserve for the year ended March 31, 2023 and March 31, 2022; on account of changes in the fair value has been reconciled in Note No. 11.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

**26 Financial risk management**

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The borrowing of the Group constitute mainly Non Convertible Bonds (NCB). All the repayments are made out of internal accruals. The Group's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken and derivatives are used exclusively for hedging purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The group has issue non-convertible bonds during the previous year with fixed interest rate for the next 2 years and accordingly there is no significant concentration of interest rate risk (Refer note 21).

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Unhedged foreign currency exposure**

Non-derivative foreign currency exposure as of 31 March, 2023 and 31 March, 2022 in major currencies is as below:

| Currencies | Net financial Assets   |                        | Net financial Liabilities |                        |
|------------|------------------------|------------------------|---------------------------|------------------------|
|            | As at<br>31 March 2023 | As at<br>31 March 2022 | As at<br>31 March 2023    | As at<br>31 March 2022 |
| USD/INR    | 3,244                  | 2,225                  | 233                       | 189                    |
| GBP/INR    | 2,240                  | 1,501                  | 1                         | 11                     |
| EURO/INR   | 109                    | 78                     | 0                         | -                      |
| AUD/INR    | 173                    | 162                    | 4                         | -                      |

**a) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Currencies                                     | Impact on Profit after Tax  |                             | Impact on other components of equity |                             |
|--|-----------------------------|-----------------------------|--------------------------------------|-----------------------------|
|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 | Year ended<br>31 March 2023          | Year ended<br>31 March 2022 |
| <b>USD Sensitivity</b>                         |                             |                             |                                      |                             |
| INR/USD - Increase by 1% (31 March 2022 - 1%)* | 23                          | 14                          | 1                                    | 0                           |
| INR/USD - Decrease by 1% (31 March 2022 - 1%)* | (23)                        | (14)                        | (1)                                  | (0)                         |
| <b>EUR Sensitivity</b>                         |                             |                             |                                      |                             |
| INR/EUR - Increase by 1% (31 March 2022 - 1%)* | 2                           | 1                           | 0                                    | 0                           |
| INR/EUR - Decrease by 1% (31 March 2022 - 1%)* | (2)                         | (1)                         | (0)                                  | (0)                         |
| <b>GBP Sensitivity</b>                         |                             |                             |                                      |                             |
| INR/GBP - Increase by 1% (31 March 2022 - 1%)* | 22                          | 15                          | 2                                    | 1                           |
| INR/GBP - Decrease by 1% (31 March 2022 - 1%)* | (22)                        | (15)                        | (2)                                  | (1)                         |
| <b>AUD Sensitivity</b>                         |                             |                             |                                      |                             |
| INR/AUD - Increase by 1% (31 March 2022 - 1%)* | 2                           | 2                           | 0                                    | 0                           |
| INR/AUD - Decrease by 1% (31 March 2022 - 1%)* | (2)                         | (2)                         | 0                                    | 0                           |

\*Holding all other variables constant

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**b) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade Receivables**

The customers of the Group are primarily corporations based in the United States of America and Europe and accordingly, trade receivables are concentrated in the respective countries. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. The Group has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever appropriate. The Group in the normal course of business sells certain trade receivables to banks. Under the terms of arrangements, the Group surrenders control over these assets and transfer is on a non-recourse basis.

The following table gives the movement in allowance for expected credit loss for the year ended March 31, 2023:

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Balance at the beginning                                   | 1,058                       | 993                         |
| Impairment loss recognized (net)                           | 72                          | 16                          |
| Expenses Recognised in Exceptional Item                    | -                           | -                           |
| Transfer to provision for customer contract/ other expense | 31                          | 49                          |
| Amounts written off  | (173)                       | -                           |
| <b>Balance at the end*</b>                                 | <b>988</b>                  | <b>1,058</b>                |

\* Closing balance includes allowance for doubtful - trade receivable Rs. 887 Mn (31 March 2022 Rs. 960 Mn) and contract assets Rs. 101 Mn (31 March 2022 Rs. 98 Mn).

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**c) Liquidity Risk**

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts based on the expected cash flows.

**d) Maturities of financial liabilities**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:-

| Particulars  | Less than 1 Year | 1-2 Years  | 2-4 Years    | More than 4<br>years | Total         |
|--|------------------|------------|--------------|----------------------|---------------|
| Borrowings   | -                | -          | 3,382        | -                    | 3,382         |
| Trade Payables                                     | 6,481            | 244        | 67           | 21                   | 6,813         |
| Lease Liability                                    | 454              | 372        | 628          | 786                  | 2,240         |
| Other Financial Liabilities (excluding Borrowings) | 7,377            | 228        | 63           | 33                   | 7,701         |
|  | <b>14,312</b>    | <b>844</b> | <b>4,140</b> | <b>840</b>           | <b>20,136</b> |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022:-

| Particulars  | Less than 1 Year | 1-2 Years    | 2-4 Years    | More than 4 years | Total         |
|--|------------------|--------------|--------------|-------------------|---------------|
| Borrowings   | 180              | -            | 3,365        | -                 | 3,545         |
| Trade Payables                                     | 6,160            | 244          | 67           | 53                | 6,524         |
| Lease Liability                                    | 414              | 211          | 178          | 548               | 1,351         |
| Other Financial Liabilities (excluding Borrowings) | 2,398            | 2,830        | 78           | -                 | 5,306         |
|  | <b>9,152</b>     | <b>3,285</b> | <b>3,688</b> | <b>601</b>        | <b>16,726</b> |

## 27 Capital Management

## a) Risk management

For the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the shareholders. The primary objectives of the Group's capital management are to maximise the shareholder value and safeguard their ability to continue as a going concern. The Group has outstanding Non Convertible Bonds (NCB) (refer note 13). The Group has complied with the financial covenants attached with above stated borrowings throughout the reporting period. The funding requirements are generally met through operating cash flows generated. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

## b) Dividends

| Particulars   | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| <b>Equity Shares</b>  |               |               |
| During the year the directors have recommended the payment of Interim dividend.   | 2,745         | 2,367         |
| Dividends not recognised at the end of reporting period   |               |               |
| In addition to the above dividends, the directors have recommended the payment of Interim dividend of Rs. 19 per fully paid up equity share each on 27 April 2023 (31 March 2022 Rs. 13 per share). | 1,161         | 792           |

## 28 Related parties where control exists

## Interest in Subsidiaries

The Company's subsidiaries at 31 March 2023 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 31 March 2023                        | As at 31 March 2022 | As at 31 March 2023   | As at 31 March 2022 |   |
| <b>Direct subsidiaries</b> |                            |   |  |                     |   |                     |   |
| 1                          | Coforge SmartServe Limited | India                                       | 100  | 100                 | -   | -                   | Information Technology/ Information Technology Enabled Services ("IT / ITES") |
| 2                          | Coforge Services Limited   | India                                       | 100  | 100                 | -   | -                   | Information Technology/ Information Technology Enabled Services ("IT / ITES") |

## Notes to the Consolidated Financial Statements

(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 31 March 2023                        | As at 31 March 2022 | As at 31 March 2023   | As at 31 March 2022 |  |
| 3                            | Coforge U.K. Limited  | United Kingdom                              | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 4                            | Coforge Pte Limited   | Singapore                                   | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 5                            | Coforge DPA Private Ltd.  | India                                       | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 6                            | Coforge GmbH  | Germany                                     | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 7                            | Coforge Inc.  | USA   | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 8                            | Coforge Airline Technologies GmbH   | Germany                                     | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 9                            | Coforge FZ LLC  | Dubai                                       | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 10                           | NIIT Technologies Philippines Inc (under liquidation)   | Philippines                                 | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 11                           | Coforge SF Private Limited (erstwhile Whishworks IT Consulting Private Limited)                                       | India                                       | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 12                           | Coforge Business Process Solutions Private Limited (Erstwhile SLK Global Solutions Pvt Limited) w.e.f. April 28, 2021 | India                                       | 60   | 60                  | 40  | 40                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| <b>Stepdown subsidiaries</b> |   |   |  |                     |   |                     |  |
| 13                           | Coforge BV (Wholly owned by Coforge U.K. Ltd.)  | Netherlands                                 | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 14                           | Coforge Limited (Wholly owned by Coforge Pte Ltd., Singapore)   | Thailand                                    | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 15                           | Coforge Technologies (Australia) Pty Ltd. (Wholly owned by Coforge Pte Ltd., Singapore)                               | Australia                                   | 100  | 100                 | -   | -                   | Information Technology/<br>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 31 March 2023                        | As at 31 March 2022 | As at 31 March 2023   | As at 31 March 2022 |   |
| 16      | Coforge Advantage Go (Wholly owned by Coforge U.K. Ltd., UK)  | United Kingdom                              | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 17      | Coforge S.A. (Wholly owned by Coforge U.K. Ltd.)  | Spain                                       | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 18      | 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/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 19      | Coforge DPA UK Ltd. (Wholly owned by Coforge DPA Private Ltd.)  | United Kingdom                              | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 20      | Coforge DPA Ireland Limited (Wholly owned by Coforge DPA Private Ltd.)  | Ireland                                     | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 21      | Coforge DPA Australia Pty Ltd. (Wholly owned by Coforge DPA Private Ltd.)   | Australia                                   | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 22      | Coforge DPA NA Inc. USA (Wholly owned by Coforge DPA Private Ltd.)  | USA   | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 23      | Coforge SF Limited, UK (Wholly owned by Coforge SF Private Limited India)   | United Kingdom                              | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 24      | COFORGE (Coforge Spółka Z Ograniczona Odpowiedzialnoscia)(Wholly owned by Coforge U.K. Ltd.)  | Poland                                      | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 25      | Coforge S.R.L., Romania (Wholly owned by Coforge U.K. Limited)  | Romania                                     | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 26      | Coforge A.B. Sweden (Wholly owned by Coforge U.K. Limited)  | Sweden                                      | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 27      | Coforge SDN. BHD. Malaysia , (Wholly owned by Coforge Pte Ltd.)   | Malaysia                                    | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 28      | Coforge SpA, Chile (Wholly owned by Coforge U.K. Ltd., UK)  | Chile                                       | 100  | 100                 | -   | -                   | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 29      | Coforge BPS Philippines Inc (Erstwhile SLK Global Philippines Inc, Philippines) (wholly owned subsidiary of Coforge Business Process Solutions Private Limited w.e.f. April 28, 2021) | Philippines                                 | 60   | 60                  | 40  | 40                  | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |
| 30      | Coforge BPS America Inc. (Erstwhile SLK Global Solutions America Inc., USA) (wholly owned subsidiary of Coforge Business Process Solutions Private Limited w.e.f. April 28, 2021)     | USA   | 60   | 60                  | 40  | 40                  | Information Technology/<br>Information Technology<br>Enabled Services ("IT / ITES") |

## Notes to the Consolidated Financial Statements

(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 31 March 2023                        | As at 31 March 2022 | As at 31 March 2023   | As at 31 March 2022 |  |
| 31      | Coforge BPS North Carolina LLC (Erstwhile SLK Global North Carolina LLC, USA) (wholly owned subsidiary of Coforge Business Process Solutions Private Limited w.e.f. April 28, 2021) | USA   | 60   | 60                  | 40  | 40                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 32      | Coforge Healthcare Digital Automation LLC (Subsidiary of Coforge BPM Inc. w.e.f. January 21, 2022)  | USA   | 55   | 55                  | 45  | 45                  | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 33      | Coforge Japan GK (Wholly owned by Coforge U.K. Ltd., UK) w.e.f. 7th March 2023  | Japan                                       | 100  | -                   | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |
| 34      | Coforge Solutions Private Limited (Wholly owned by Coforge DPA Private Ltd.)w.e.f. 29th June 2022   | India                                       | 100  | -                   | -   | -                   | Information Technology/<br>Information Technology Enabled Services ("IT / ITES") |

**29 Related party transactions**

Coforge Limited's principal related parties consist of Investor with significant influence i.e Hulst B.V., Netherlands, its own subsidiaries and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

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

**Ultimate Holding Company**

Baring Private Equity Asia Holding (till 15 December 2021)

**Holding Company**

Hulst B.V., Netherlands (till 15 December 2021)

**Investor with significant influence**

Hulst B.V., Netherlands (w.e.f. 16 December 2021)

**Interest in Subsidiaries**

Refer note 28

**A. List of related parties with whom the Group has transacted:****a) Key Managerial personnel**

Sudhir Singh, Chief Executive Officer & Executive Director

Ajay Kalra, Chief Financial Officer

Lalit Kumar Sharma, Company Secretary & Legal Counsel (till July 31, 2021)

Barkha Sharma, Company Secretary (w.e.f. August 1, 2021)

**Non Executive Director**

Patrick John Cordes

Kenneth Tuck Kuen Cheong

Hari Gopalakrishnan

Ashwani Puri

Basab Pradhan

Holly J. Morris (till Mar 31, 2022)

Mary Beth Boucher (w.e.f. May 7, 2022)

Kirti Ram Hariharan

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## b) Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested

Titan Company Limited

## c) List of other related parties

| Particulars                                     | Country | Nature of relationship       |
|---|---------|------------------------------|
| 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 |

Refer to Note 14 for information and transactions with post-employment benefit plans mentioned above

## B. Details of transaction with related parties carried out on an arms length basis:

| Nature of Transactions | Holding Company/<br>Investor with<br>significant influence | Parties in which Key<br>Managerial Personnel<br>of the Group are<br>interested | Related<br>Party of<br>Subsidiary<br>Company | Total   |
|------------------------|--|--|--|---------|
| Rendering of Services  | -  | 26   | -  | 26      |
|                        | -  | (2)  | -  | (2)     |
| Dividend Paid          | 1,416  | -  | -  | 1,416   |
|                        | (1,666)  | -  | -  | (1,666) |

Figures in parenthesis represent Previous Year's figures

## C. Key management personnel compensation

| Commission & sitting fees        | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| Short term employee benefits**   | 245                         | 151                         |
| Commission and Sitting fees      | 32                          | 32                          |
| Post employment benefits*        | 15                          | 5                           |
| <b>Remuneration paid</b>         | <b>292</b>                  | <b>188</b>                  |
| Share based payment transactions | 444                         | 234                         |
| <b>Total of compensation</b>     | <b>736</b>                  | <b>422</b>                  |

\*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 year figures includes bonus pertaining to March 2022 paid during the current year.

## Key Managerial Personnel interests in the Senior Executive Plan

Share options held by Key Managerial Personnel of the Company's Stock Option Plan 2005 to purchase Equity shares have the following expiry dates and exercise prices:

| Grant date   | Expiry date            | Exercise price | Closing option as at |                |
|--------------|------------------------|----------------|----------------------|----------------|
|              |                        |                | 31 March 2023        | 31 March 2022  |
| FY 18-19     | 23 May 22 to 31 May 24 | 10 to 1364.4   | -                    | 15,030         |
| FY 19-20     | 31 Dec 23 to 30 Sep 30 | 10             | 467,116              | 540,402        |
| FY 21-22     | 31-Dec-22              | 10             | -                    | 10,000         |
| FY 22-23     | 31 Dec 23 to 31 Dec 26 | 10             | 178,963              | -              |
| <b>Total</b> |                        |                | <b>646,079</b>       | <b>565,432</b> |

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to note 35 for further details on the scheme.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**30 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   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| <b>Revenue from Operations</b>  |                             |                             |
| Americas  | 40,020                      | 33,288                      |
| Europe, Middle East and Africa  | 31,175                      | 22,771                      |
| Asia Pacific  | 5,817                       | 5,439                       |
| India   | 3,134                       | 2,822                       |
| <b>Total</b>  | <b>80,146</b>               | <b>64,320</b>               |
| <b>Earning before Interest, Tax, Depreciation and Amortization (EBITDA)</b> |                             |                             |
| Americas  | 6,176                       | 6,056                       |
| Europe, Middle East and Africa  | 6,611                       | 4,706                       |
| Asia Pacific  | 749                         | 590                         |
| India   | (286)                       | (198)                       |
| <b>Total</b>  | <b>13,250</b>               | <b>11,154</b>               |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

| Particulars                                    | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Depreciation and amortization                  | 2,585                       | 2,272                       |
| Other income (net)                             | (630)                       | (267)                       |
| <b>Profit before exceptional items and tax</b> | <b>10,035</b>               | <b>8,615</b>                |
| Exceptional items                              | 523                         | -                           |
| <b>Profit before tax</b>                       | <b>9,512</b>                | <b>8,615</b>                |
| Provision for tax                              | 2,061                       | 1,468                       |
| <b>Profit after tax</b>                        | <b>7,451</b>                | <b>7,147</b>                |

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

(d) **Information about major customers**

Information regarding revenues from external customers for each product and service is disclosed in note 16.

**31 Business combinations**

**(A) Acquisition of business from On Demand Agility Solution group**

During the year, the Group made a strategic investment by acquiring business from On Demand Agility Solution group ("ODA"). The group had entered into master framework agreement, business transfer agreements and Share Subscription and shareholders agreement to acquire the business. The Group paid a consideration of Rs. 1,217 Mn and issued non-convertible compulsory redeemable preference shares through its one of the subsidiary in lieu of acquisition of customer contracts along with employees. The above arrangement has been recorded as business combination in accordance with Ind AS 103. Accordingly, the Group recorded a goodwill of Rs. 768 Mn, customer relationship of Rs. 582 Mn and non-compete fees of Rs. 114 Mn. As per the terms of the agreement, the Group will redeem the non-convertible compulsory redeemable preference shares equally over a period of two years. The non-convertible compulsory redeemable preference shares have been fair valued at Rs. 267 Mn.

**(B) Acquisition of SLK Global Solutions Private Limited**

During the previous year, the Group made a strategic investment in M/s SLK Global Solutions Private Limited, currently known as Coforge Business Process Solutions Private Limited (the "Investee Company", "SLK Global") and its subsidiaries on April 12, 2021, and entered into the Share Purchase Agreement and Shareholders Agreement to acquire 80% equity shares over a period of two years from the existing shareholders of the Investee Company. The purpose of this acquisition is to further strengthen the financial services vertical and scales the BPM operations.

Out of this, 35% stake of the Investee Company was purchased on April 12, 2021 and additional stake of 25% was purchased on April 28, 2021, aggregating to 60% of the total share capital of the Investee Company and accordingly obtained control. Both these transactions are linked transactions and the Group has determined April 28, 2021 as the date of acquisition of control.

As per the terms of the agreement, the Group will acquire the remaining stake of 20% after two years from the date of acquisition with consideration payable as multiple of earnings and accordingly it has recorded put liability for future acquisition of 20% stake.

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

| Purchase consideration   | Amount       |
|--|--------------|
| Cash paid for acquisition of 60% stake along with profit during step up acquisition period | 9,201        |
| <b>Total purchase consideration</b>  | <b>9,201</b> |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

The assets and liabilities recognised as a result of the acquisition was as follows:

|   | Fair value   |
|---|--------------|
| <b>Identified tangible assets</b>           |              |
| Property, plant and equipment               | 761          |
| Right of Use Asset                          | 325          |
| Other Assets                                | 157          |
| Net Current assets                          | 1,068        |
| Cash and bank balances                      | 739          |
| Acquired liabilities                        | (135)        |
| Lease Liability                             | (358)        |
| Deferred tax assets                         | 92           |
| <b>Identified intangible assets</b>         |              |
| Customer Contract and related Relationships | 3,130        |
| Non-compete fees                            | 48           |
| Deferred tax liabilities                    | (702)        |
| <b>Net identifiable assets acquired</b>     | <b>5,125</b> |

| <b>Calculation of goodwill/Non Controlling Interest</b>          | Fair value   |
|--|--------------|
| Net identified Tangible and Intangible Assets acquired (60%) (A) | 3,075        |
| Non Controlling Interest (40%) (B)                               | 2,050        |
| Total purchase consideration ('C)                                | 9,201        |
| <b>Goodwill (C-A)</b>  | <b>6,126</b> |

The goodwill is attributable to the workforce and expected synergies of acquired business, which was 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 was acquired as part of business combination.

The acquisition related cost recognised in consolidated statement of profit and loss and other comprehensive income was Rs. 223 Mn.

**(i) Acquired receivables**

The Group had acquired receivables having gross contractual amount and net carrying amount of Rs. 590 Mn. No adjustments had 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 31 March 2022 was as follows:

- Revenue of Rs. 6,108 Mn and profit after tax of Rs. 973 Mn (net of amortisation of Rs. 305 Mn on intangible assets arising out of acquisition) for the period 28 April 2021 to 31 March 2022.
- If the acquisitions had occurred on 1 April 2021, consolidated pro-forma revenue and profit after tax for the period ended 31 March 2022 would have been increased/(decreased) by Rs. 543 Mn and Rs. 74 Mn respectively.



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**(b) Purchase consideration - cash outflow**

|  | Amount       |
|--|--------------|
| <i>Outflow of cash to acquire subsidiary, net of cash acquired</i> |              |
| Cash consideration   | 9,183        |
| Less: balances acquired  |              |
| Cash and Bank  | 739          |
| <b>Net outflow of cash – investing activities</b>                  | <b>8,444</b> |

**(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) Fair value of future acquisition liability**

The movement of future acquisition liability of SLK Global is as follows:

| Particulars  | Amount       |
|--|--------------|
| Proportionate share of net assets acquired                   | 2,050        |
| Add : Non-controlling share in the results for the period    | 511          |
| Less: Dividend paid  | (596)        |
| <b>Proportionate share of net assets as at 31 March 2022</b> | <b>1,965</b> |

Of the above, NCI subject to put option amounting to Rs 983 Mn (20%) has been derecognised and recorded at fair value of Rs 2,792 Mn as financial liability. The difference of Rs 1,809 Mn is accounted for as equity transaction. The Future Acquisition Liability as at Mar 31, 2023 the value is Rs 3,865 Mn (Refer Note 24(iv))

(e) Post acquisition, SLK Global has paid dividend amounting to Rs 1,489 Mn in previous year.

**(C) Coforge Healthcare Digital Automation LLC**

On 21 January 2022 the Group entered into Limited Liability Company agreement and incorporated M/s Coforge Healthcare Digital Automation LLC ('Healthcare'). The group infused Rs. 113 Mn in a newly incorporated Healthcare.

The Group paid a consideration of Rs. 113 Mn and 45% stake to sellers in lieu of customer contracts as well as certain employees. The above arrangement has been recorded as business combination in accordance with Ind AS 103. Accordingly, the Group recorded a goodwill of Rs. 173 Mn and customer relationship of Rs. 45 Mn and non compete fees of Rs. 2 Mn. As per the terms of the agreement, the Group will acquire the remaining stake of 45% over a period of three years. The put option to acquire remaining 45% has been fair valued at Rs 116 mn.

(D) During the previous year, the group acquired balance 18.6% stake in Coforge SF Private Limited (erstwhile Wishworks IT Consulting Private Limited) making it wholly owned subsidiary w.e.f. 5 October 2021 for a consideration of Rs. 729 million.

**32 Contingent liabilities and contingent assets****(a) Contingent liabilities**

The Group had contingent liabilities in respect of:

i) Claims against the Group not acknowledged as debts:

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Income tax matters pending disposal by the tax authorities | 706                    | 877                    |
| Others   | 301                    | 254                    |
| <b>Total</b>   | <b>1,007</b>           | <b>1,131</b>           |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

## 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 31 March 2023 include demand from the Indian Income tax authorities on certain matters relating to availment of tax holiday.

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 31 March 2023 and 31 March 2022.

## 33 Commitments

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

| Particulars                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------|------------------------|------------------------|
| Property, plant and equipment | 116                    | 220                    |
| <b>Total</b>                  | <b>116</b>             | <b>220</b>             |

## 34 Leases

Following are the notes related to Leases

| Particulars                            | Year Ended 31 March 2023 |          |                    |              | Year Ended 31 March 2022 |          |                    |              |
|--|--------------------------|----------|--------------------|--------------|--------------------------|----------|--------------------|--------------|
|  | Category of ROU asset    |          |                    |              | Category of ROU asset    |          |                    |              |
|  | Buildings                | Vehicles | Lease<br>hold land | Total        | Buildings                | Vehicles | Lease<br>hold land | Total        |
| <b>Balance at beginning</b>            | 1,176                    | -        | 300                | 1,476        | 613                      | 1        | 304                | 918          |
| Additions                              | 1,466                    | -        | -                  | 1,466        | 793                      | -        | -                  | 793          |
| Additions through business combination | -                        | -        | -                  | -            | 325                      | -        | -                  | 325          |
| Deletions                              | (140)                    | -        | -                  | (140)        | (149)                    | -        | -                  | (149)        |
| Depreciation                           | (465)                    | -        | (4)                | (469)        | (406)                    | (1)      | (4)                | (411)        |
| Translation difference                 | 32                       | -        | -                  | 32           | -                        | -        | -                  | -            |
| <b>Balance at the end</b>              | <b>2,069</b>             | <b>-</b> | <b>296</b>         | <b>2,365</b> | <b>1,176</b>             | <b>-</b> | <b>300</b>         | <b>1,476</b> |

The following is the movement in lease liabilities

| Particulars                            | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Balance at the beginning               | 1,351                       | 816                         |
| Additions                              | 1,418                       | 793                         |
| Additions through business combination | -                           | 358                         |
| Deletions                              | (140)                       | (152)                       |
| Finance cost accrued during the period | 141                         | 77                          |
| Payment of lease liabilities           | (562)                       | (546)                       |
| Translation difference                 | 32                          | 5                           |
| <b>Balance at the end</b>              | <b>2,240</b>                | <b>1,351</b>                |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

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

| Particulars                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------|------------------------|------------------------|
| Current lease liabilities     | 454                    | 414                    |
| Non-current lease liabilities | 1,786                  | 937                    |
| <b>Total</b>                  | <b>2,240</b>           | <b>1,351</b>           |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars          | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------|------------------------|------------------------|
| Less than one year   | 600                    | 474                    |
| One to five years    | 1,567                  | 683                    |
| More than five years | 774                    | 688                    |
| <b>Total</b>         | <b>2,941</b>           | <b>1,845</b>           |

The following are the amounts recognised in consolidated statement of profit and loss:

| Particulars   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
| Depreciation expense of right-of-use assets   | 469                         | 411                         |
| Interest expense on lease liabilities   | 141                         | 77                          |
| Expense relating to short-term leases and leases of low-value assets (included in other expenses) | 222                         | 240                         |
| <b>Total</b>  | <b>832</b>                  | <b>728</b>                  |

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. 222 Mn (Previous period Rs. 240 Mn) for the year ended 31 March 2023.

The Group had total cash outflows for principal portion of leases of Rs. 421 Mn (Previous year Rs. 386 Mn).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

### 35 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 Group in aggregate up to 3,850,000 in one or more tranches. This limit was increased by 1,690,175 and further by 900,000 additional option in the existing ESOP plan over and above earlier options issued by the Company. 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 Group for such shares at a price to be determined in accordance with ESOP 2005. Hence, the plan is equity settled for the Group.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

Set out below is a summary of options granted under the plan:

|                                   | Year ended March 31, 2023        |                   | Year ended March 31, 2022        |                   |
|-----------------------------------|----------------------------------|-------------------|----------------------------------|-------------------|
|                                   | Average exercise price per share | Number of options | Average exercise price per share | Number of options |
| Opening balance                   | 21.65                            | 1,340,822         | 50.02                            | 1,574,493         |
| Granted during the year           | 10.00                            | 276,480           | 10.00                            | 302,000           |
| Exercised during the year *       | 99.78                            | 173,928           | 157.72                           | 320,803           |
| Forfeited/ lapsed during the year | 10.00                            | 104,953           | 10.00                            | 214,868           |
| <b>Closing balance</b>            | <b>10.00</b>                     | <b>1,338,421</b>  | <b>21.65</b>                     | <b>1,340,822</b>  |
| Vested and exercisable            |                                  | 150,703           |                                  | 115,727           |

\*The weighted average share price at the date of exercise of these options during the year ended 31 March 2023 was Rs. 3,798.21 (31 March 2022 - Rs. 5,312.64)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2023 was 1.3 years (31 March 2022: 1.95 years).

The weighted average fair value of options granted during the year was Rs. 3,340 (31 March 2022: Rs. 3,452).

The range of exercise prices for options outstanding at the end of the year was Rs. 10 (31 March 2022: Rs. 10 to Rs. 1,048.9).

ii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant Year   | Vesting conditions              | Vesting Date           | Expiry date            | Exercise price | Fair Value at the grant date | Share options outstanding as at |                  |
|--------------|---------------------------------|------------------------|------------------------|----------------|------------------------------|---------------------------------|------------------|
|              |                                 |                        |                        |                |                              | 31 March 2023                   | 31 March 2022    |
| 2018-19      | Service                         | 23-May-19 to 20-Mar-22 | 23-May-22 to 20-Mar-25 | 10 to 1364.4   | 296.72 to 1319.16            | -                               | 15,030           |
| 2019-20      | Service and service/performance | 31-Mar-21 to 30-Sep-25 | 31-Dec-23 to 29-Mar-32 | 10             | 879.3 to 1183.04             | 861,636                         | 1,022,553        |
| 2020-21      | Service and service/performance | 1-Jan-22 to 30-Sept-25 | 31-Dec-23 to 31-Dec-25 | 10             | 915.67 to 2606.46            | 22,934                          | 24,237           |
| 2021-22      | Service and service/performance | 30 Sep 22 to 30-Sep-25 | 31 Dec 23 to 30-Sep-30 | 10             | 3039.9 to 5811.38            | 177,837                         | 279,002          |
| 2022-23      | Service and service/performance | 31 May 23 to 29 Mar 26 | 31 Dec 23 to 31 Dec 26 | 10             | 3165.96 to 3836.15           | 276,014                         | -                |
| <b>Total</b> |                                 |                        |                        |                |                              | <b>1,338,421</b>                | <b>1,340,822</b> |

(i) Fair value determination 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 | Market Price at the grant date | Fair Value at grant date | Exercise Price | Volatility*      | Average Life of the Options (in Years) | Risk Less Interest Rate | Dividend yield rate |
|------------|--------------------------------|--------------------------|----------------|------------------|--|-------------------------|---------------------|
| FY 2021-22 | 3107.65 to 5931.15             | 3040 to 5811             | 10             | 43.39% to 58.42% | 0.94 to 4.48                           | 3.84% to 6.33%          | 0.33% to 0.58%      |
| FY 2022-23 | 3235.95 to 3884.45             | 3165.96 to 3836.15       | 10             | 42.94% to 46.93% | 1.03 to 3.53                           | 5.86% to 7.16%          | 0.39 to 0.53        |

\* 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.

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

**(b) Stock appreciation rights**

In financial year 2018-19, the Group issued the stock appreciation rights, liability for which is measured initially and at the end of each reporting period until settled, at the fair value of the SARs by applying a black Scholes model, taking into account the terms and conditions on which the SARs were granted and the extent to which the employees have rendered services to date. The carrying amount of the liability relating to the SARs at 31 March 2023 was Rs 26 Mn (31 March 2022: Rs 50 Mn) and expense recognised during the year Rs 3 Mn (31 March 2022: Rs 35 Mn). During the year 8,560 (31 March 2022 : 11,970) stock appreciation rights have been vested.

**(c) Expense arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised in consolidated statement of profit and loss as part of employee benefit expense were as follows:

|  | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Expense arising from equity-settled share-based payment transactions | 574           | 382           |

**36 Additional information required by Schedule III**

| Name of the entity in the group   | Net assets (total assets minus total liabilities) |        | Share in profit or (loss)#          |        | Share in other comprehensive income             |        | Share in total comprehensive income |        |
|---|---|--------|-------------------------------------|--------|---|--------|-------------------------------------|--------|
|   | As % of consolidated net assets                   | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income  | Amount |
| <b>Parent</b>   |   |        |                                     |        |   |        |                                     |        |
| Coforge Limited   |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 17.55   | 5,563  | 34.43                               | 2,565  | (92.28)   | (291)  | 29.27                               | 2,274  |
| 31 March 2022   | 20.94   | 6,333  | 62.82                               | 4,157  | 81.57   | 216    | 41.79                               | 3,097  |
| <b>Subsidiaries</b>   |   |        |                                     |        |   |        |                                     |        |
| <b>Indian</b>   |   |        |                                     |        |   |        |                                     |        |
| Coforge SmartServe Limited  |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 2.00  | 633    | 3.27                                | 244    | (0.53)  | (2)    | 3.12                                | 242    |
| 31 March 2022   | 2.14  | 648    | 1.75                                | 116    | 0.13  | 0      | 2.04                                | 151    |
| Coforge Services Limited  |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 0.11  | 34     | 0.02                                | 1      | -   | -      | 0.01                                | 1      |
| 31 March 2022   | 0.11  | 33     | 0.02                                | 1      | -   | -      | 0.01                                | 1      |
| Coforge DPA Private Limited   |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 7.11  | 2,255  | 17.18                               | 1,280  | 6.70  | 21     | 16.76                               | 1,301  |
| 31 March 2022   | 6.66  | 2,015  | 12.41                               | 821    | 6.25  | 17     | 21.80                               | 1,616  |
| Coforge SF Private Limited  |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 3.29  | 1,042  | 5.12                                | 382    | 14.83   | 47     | 5.52                                | 429    |
| 31 March 2022   | 4.29  | 1,298  | 2.33                                | 154    | 1.10  | 3      | 4.30                                | 319    |
| Coforge Business Process Solutions Private Limited (Erstwhile SLK Global Solutions Pvt Limited) |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 7.55  | 2,392  | 7.24                                | 540    | 10.45   | 33     | 7.38                                | 573    |
| 31 March 2022   | 15.45   | 4,672  | 3.28                                | 217    | 17.37   | 46     | 7.61                                | 564    |
| <b>Foreign</b>  |   |        |                                     |        |   |        |                                     |        |
| Coforge Inc.  |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 15.26   | 4,837  | 13.87                               | 1,033  | 44.81   | 141    | 15.13                               | 1,175  |
| 31 March 2022   | 10.73   | 3,247  | 7.95                                | 526    | -   | -      | 7.10                                | 526    |
| Coforge U.K. Limited (erstwhile NIIT Technologies Limited)                                      |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 11.79   | 3,737  | 11.96                               | 891    | 8.50  | 27     | 11.82                               | 918    |
| 31 March 2022   | 10.52   | 3,183  | 3.16                                | 209    | -   | -      | 2.82                                | 209    |
| Coforge Pte Limited (erstwhile NIIT Technologies Pacific Pte Limited)                           |   |        |                                     |        |   |        |                                     |        |
| 31 March 2023   | 3.27  | 1,036  | 1.16                                | 87     | -   | -      | 1.11                                | 87     |
| 31 March 2022   | 1.51  | 458    | 0.83                                | 55     | -   | -      | 0.74                                | 55     |

## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

| Name of the entity in the group  | Net assets (total assets minus total liabilities) |               | Share in profit or (loss)#          |              | Share in other comprehensive income             |            | Share in total comprehensive income |              |
|--|---|---------------|-------------------------------------|--------------|---|------------|-------------------------------------|--------------|
|  | As % of consolidated net assets                   | Amount        | As % of consolidated profit or loss | Amount       | As % of consolidated other comprehensive income | Amount     | As % of total comprehensive income  | Amount       |
| <b>Coforge BV (erstwhile NIIT Technologies BV)</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.13  | 40            | 0.03                                | 2            | 16.08   | 51         | 0.68                                | 53           |
| 31 March 2022  | 0.19  | 57            | (0.30)                              | (20)         | -   | -          | (0.27)                              | (20)         |
| <b>Coforge Limited, Thailand (erstwhile NIIT Technologies Ltd)</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 1.44  | 457           | 0.15                                | 11           | (0.10)  | (0)        | 0.14                                | 11           |
| 31 March 2022  | 1.33  | 402           | 0.51                                | 34           | -   | -          | 0.46                                | 34           |
| <b>Coforge Technologies (Australia) Pty Limited (erstwhile NIIT Technologies Pty Ltd)</b>                                    |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 1.18  | 373           | 1.38                                | 103          | 11.40   | 36         | 1.79                                | 139          |
| 31 March 2022  | 1.28  | 388           | 1.03                                | 68           | -   | -          | 0.92                                | 68           |
| <b>Coforge GmbH (erstwhile NIIT Technologies GmbH)</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.26  | 82            | 0.09                                | 7            | (4.65)  | (15)       | (0.10)                              | (8)          |
| 31 March 2022  | 0.46  | 138           | (0.15)                              | (10)         | -   | -          | (0.13)                              | (10)         |
| <b>Coforge Advantage Go (erstwhile NIIT Insurance Technologies Limited)</b>  |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 7.52  | 2,383         | (8.37)                              | (624)        | 0.88  | 3          | (8.00)                              | (621)        |
| 31 March 2022  | 7.40  | 2,238         | 2.09                                | 138          | -   | -          | 1.86                                | 138          |
| <b>Coforge Airline Technologies GmbH (erstwhile NIIT Airline Technologies GmbH)</b>  |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.37  | 118           | 0.60                                | 44           | 6.77  | 21         | 0.85                                | 66           |
| 31 March 2022  | 0.35  | 105           | 0.47                                | 31           | -   | -          | 0.42                                | 31           |
| <b>Coforge FZ LLC (erstwhile NIIT Technologies FZ LLC)</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 4.23  | 1,342         | 2.80                                | 209          | 4.30  | 14         | 2.86                                | 222          |
| 31 March 2022  | 1.83  | 555           | 0.80                                | 53           | -   | -          | 0.72                                | 53           |
| <b>Coforge S.A. (erstwhile NIIT Technologies S.A.)</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.51  | 163           | 0.60                                | 45           | 7.65  | 24         | 0.89                                | 69           |
| 31 March 2022  | 0.69  | 207           | 0.14                                | 9            | -   | -          | 0.12                                | 9            |
| <b>NIIT Technologies Philippines Inc</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.12  | 39            | 0.00                                | 0            | 11.64   | 37         | 0.47                                | 37           |
| 31 March 2022  | 0.04  | 11            | (0.06)                              | (4)          | -   | -          | (0.05)                              | (4)          |
| <b>Coforge BPM Inc. (erstwhile RuleTek LLC)</b>  |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 8.19  | 2,598         | 1.15                                | 86           | 0.75  | 2          | 1.13                                | 88           |
| 31 March 2022  | 7.16  | 2,166         | 0.66                                | 44           | -   | -          | 0.59                                | 44           |
| <b>Coforge SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA (erstwhile NIIT Technologies Spółka Z Ograniczona Odpowiedzialnoscia)</b> |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.01  | 2             | 0.55                                | 41           | 46.83   | 148        | 2.43                                | 189          |
| 31 March 2022  | (0.10)  | (31)          | 0.29                                | 19           | -   | -          | 0.26                                | 19           |
| <b>Coforge SDN. BHD. Malaysia (Erstwhile NIIT Technologies SDN. BHD)</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.17  | 53            | (0.01)                              | (1)          | 0.72  | 2          | 0.02                                | 1            |
| 31 March 2022  | 0.12  | 36            | 0.03                                | 2            | -   | -          | 0.03                                | 2            |
| <b>Coforge A.B. Sweden (Erstwhile NIIT Technologies A.B.)</b>  |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.00  | 0             | 0.00                                | 0            | 0.06  | 0          | 0.00                                | 0            |
| 31 March 2022  | 0.00  | 1             | -                                   | -            | -   | -          | -                                   | -            |
| <b>Coforge S.R.L., Romania (Erstwhile NIIT Technologies S.R.L.)</b>  |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.00  | 0             | (0.00)                              | (0)          | 0.00  | 0          | (0.00)                              | (0)          |
| 31 March 2022  | 0.00  | 0             | -                                   | -            | -   | -          | -                                   | -            |
| <b>Coforge SpA, Chile</b>  |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.03  | 8             | (0.00)                              | (0)          | 0.25  | 1          | 0.01                                | 1            |
| 31 March 2022  | 0.03  | 10            | (0.02)                              | (1)          | -   | -          | (0.01)                              | (1)          |
| <b>Coforge Healthcare Digital Automation LLC</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.21  | 66            | (0.18)                              | (14)         | 1.42  | 4          | (0.12)                              | (9)          |
| 31 March 2022  | 0.48  | 146           | (0.02)                              | (2)          | -   | -          | (0.02)                              | (2)          |
| <b>Coforge Solutions Pvt Ltd</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 2.51  | 796           | (0.04)                              | (3)          | (0.61)  | (2)        | (0.06)                              | (5)          |
| 31 March 2022  | -   | -             | -                                   | -            | -   | -          | -                                   | -            |
| <b>Non controlling interest in all subsidiaries</b>  |   |               |                                     |              |   |            |                                     |              |
| <b>Coforge Business Process Solutions Private Limited (Erstwhile SLK Global Solutions Pvt Limited)</b>                       |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 5.03  | 1,595         | 7.15                                | 533          | 2.85  | 9          | 2.95                                | 229          |
| 31 March 2022  | 6.18  | 1,869         | 8.02                                | 531          | (6.42)  | (17)       | 3.04                                | 226          |
| <b>Foreign</b>   |   |               |                                     |              |   |            |                                     |              |
| <b>Coforge Healthcare Digital Automation LLC</b>   |   |               |                                     |              |   |            |                                     |              |
| 31 March 2023  | 0.17  | 55            | (0.15)                              | (11)         | 1.27  | 4          | (0.05)                              | (4)          |
| 31 March 2022  | 0.22  | 66            | (0.02)                              | (1)          | -   | -          | (0.01)                              | (1)          |
| <b>Total</b>   |   |               |                                     |              |   |            |                                     |              |
| <b>31 March 2023</b>   | <b>100.00</b>                                     | <b>31,698</b> | <b>100.00</b>                       | <b>7,451</b> | <b>100.00</b>                                   | <b>316</b> | <b>100.00</b>                       | <b>7,767</b> |
| <b>31 March 2022</b>   | <b>100.00</b>                                     | <b>28,315</b> | <b>100.00</b>                       | <b>6,617</b> | <b>100.00</b>                                   | <b>282</b> | <b>100.00</b>                       | <b>6,899</b> |

#This is pre intercompany adjustment excluding dividend.



## Notes to the Consolidated Financial Statements

(All amounts in Rs Mn unless otherwise stated)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>37 Earnings per Share</b>   |                             |                             |
| (a) Basic earnings per equity share of Rs 10 each<br>Attributable to the equity holders of the Company (Rs. Per share)                           | 113.77                      | 109.02                      |
| (b) Diluted earnings per equity share of Rs 10 each<br>Attributable to the equity holders of the Company (Rs. Per share)                         | 111.53                      | 106.52                      |
| (c) Reconciliations of earnings used in calculating earnings per share   |                             |                             |
| <i>Basic earnings per share</i>  |                             |                             |
| Profit attributable to the equity holders of the Company used in calculating basic earnings per share:   | 6,938                       | 6,617                       |
| <i>Diluted earnings per share</i>  |                             |                             |
| Profit attributable to the equity holders of the Company used in calculating diluted earnings per share  | 6,938                       | 6,617                       |
| (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)                               | 60,981,411                  | 60,694,760                  |
| Adjustments for calculation of diluted earnings per share:   |                             |                             |
| Stock Options outstanding (numbers)*   | 1,225,284                   | 1,424,394                   |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (numbers) | 62,206,695                  | 62,119,154                  |

**\*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 35.

**38 Subsequent events**

There were no significant reportable subsequent events that occurred after the balance sheet date but before financial statements were issued.

**39 Other Statutory Information**

The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

**Notes to the Consolidated Financial Statements**
**(All amounts in Rs Mn unless otherwise stated)**

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants  
Firm Registration No.101049W/E300004

**Yogender Seth**

Partner  
Membership No.094524  
Place : Gurugram  
Date : 27 April 2023

For and on Behalf of Board of Directors of Coforge Limited

**Sudhir Singh**

CEO & Executive Director  
DIN : 07080613  
Place : Gurugram  
Date : 27 April 2023

**Ajay Kalra**

Chief Financial Officer  
Place : Gurugram  
Date : 27 April 2023

**Hari Gopalakrishnan**

Director  
DIN : 03289463  
Place : Mumbai  
Date : 27 April 2023

**Barkha Sharma**

Company Secretary  
Place : Gurugram  
Date : 27 April 2023

## Americas & Canada

### Coforge Inc.

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### Coforge Ltd.

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### Coforge BPM Inc.

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ID 83642

### Coforge BPS America Inc.

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800, Dallas, Texas 75234

### Coforge DPA

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L3R8B8, Canada

### Coforge Inc.

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Terrace Tower 1, Tower Lane, Oakbrook  
IL - 60181, Chicago

### Coforge BPM Inc.

200, Tracy Way, Charleston, WV 25311

### Coforge DPA NA Inc.

5 Villa Farms CIR MONROE, NJ 08831

## Europe

### Coforge UK Ltd.

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EC3R 7QQ, U.K.

### Coforge AdvantageGo Limited

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EC3R 7QQ U.K.

### Coforge SF Limited

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### Coforge DPA UK Ltd.

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HA1 1BE

### Coforge GmbH

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Germany

### Coforge GmbH

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### Coforge Airline Technologies GmbH

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### Coforge Ltd.

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Tribtschenstrasse 9, 6005 Luzern,  
Switzerland

### Coforge BV

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### Coforge Ltd.

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### Coforge DPA Ireland

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### Coforge Spółka Z Ograniczona

Odpowiedzialnoscia  
ZŁOTA 59, 00-120 WARSAW, Poland

### Coforge A.B.

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AB, Box 180, 101 23, Stockholm,  
Sweden

### Coforge Ltd.

71 avenue Victor Hugo, 75116 Paris,  
France

### Coforge Ltd.

2 Gara Herastrau Street, Building 1,  
5th Floor, Office no. 39, 2<sup>nd</sup> District,  
Bucharest, Romania

## Middle East

### Coforge FZ LLC.

206, 2nd Floor, Building #04, Dubai  
Outsource, City, Post Box No.  
500822, Dubai, UAE

### Coforge FZ LLC.

Al Ain International Airport, Freight  
Terminal Building No. 26A, Office No.  
3,4,5,6,7,8,9,15,16,17, Abu Dhabi, UAE

## APAC

### Coforge Ltd.

SEZ Developer Unit, Plot No. TZ-2 &  
2A, Sector Tech Zone, Greater Noida  
- 201308, U.P. - India

### Coforge Ltd.

H-7, Sector-63, Noida - 201301,  
U.P. - India

### Coforge Ltd.

223-224, Udyog Vihar, Phase-1,  
Gurgaon - 122002, Haryana, India

### Coforge SmartServe Limited

223-224, Udyog Vihar, Phase-1,  
Gurgaon - 122002, Haryana, India

### Coforge Ltd.

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110019, India

### Coforge Ltd.

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India

### Coforge Ltd.

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2-9/90/1/AUC, Greenland Colony,  
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- 500032, Telangana, India

### Coforge SF Pvt. Ltd.

7th Floor, AU Infinium, D. No.  
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- 500032

### Coforge Ltd.

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### Coforge Australia

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Avenue, Sydney, NSW 2000

### Coforge Technologies Australia Pty Ltd

Mitchell & partners, Suite 3 level 2  
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### Coforge Pte Ltd.

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### Coforge Pte Ltd.

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Wanchai, Hong Kong

### Coforge Limited

1858/17 Interlink Tower, 6th Floor,  
Debaratna Road, Bangna TAI,  
Bangna, Bangkok-10260, Thailand

### Coforge Business Process Solutions Pvt. Ltd.

SLK Green Park, 3rd & 4th Floors,  
Tower B, Amin Properties SEZ,  
Pujanahalli Village, Devanahalli  
Taluk, LLP SEZ, Sy. Nos. 19,20, 20/1,  
Bangalore Rural- 562110, Karnataka,  
India

### Coforge Ltd

Level 2, Marisoft C, Sr No  
15/1/2/3/4/5/6 Plot No.1, at  
Vadgaon Sheri, Near Hotel Royal  
Orchid Central, Kalyani Nagar,  
Pune - 411014, Maharashtra, India

### Coforge Business Process Solutions Pvt. Ltd.

Level 2 and 3, Marisoft C, Sr No  
15/1/2/3/4/5/6 Plot No.1, at  
Vadgaon Sheri, Near Hotel Royal  
Orchid Central, Kalyani Nagar,  
Pune - 411014, Maharashtra, India

### Coforge Business Process Solutions Pvt. Ltd.

Building Number 2, Commerzone,  
7th Floor, Samrat Ashok Path,  
Yerwada, Pune - 411006,  
Maharashtra, India

### Coforge Business Process Solutions Pvt. Ltd.

Survey No. 156/1A, Old Pune -  
Bangalore Highway, Village  
Ujalaiwadi, Taluka Karveer, District  
Kolhapur - 416012, Maharashtra,  
India

### Coforge BPS Philippines Inc.

Ground Floor, Vector 3 Building,  
Northgate Cyberzone, Filinvest  
Corporate City, Alabang,  
Muntinlupa 1781, Philippines

### Coforge SDN. BHD

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### Coforge Japan GK

32th Floor, Shinjuku Nomura  
Building, 1-26-2 Nishi Shinjuku,  
Shinjuku-ku, Tokyo