

Coforge BPS Philippines, Inc.

Financial Statements
March 31, 2025 and 2024

and

Independent Auditors' Report



INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors
Coforge BPS Philippines, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Coforge BPS Philippines, Inc. (the Company) which comprise the statements of financial position as at March 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 financial statements, including the disclosures, and whether the 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.



Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Coforge BPS Philippines, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Kristopher S. Catalan
Partner

CPA Certificate No. 109712

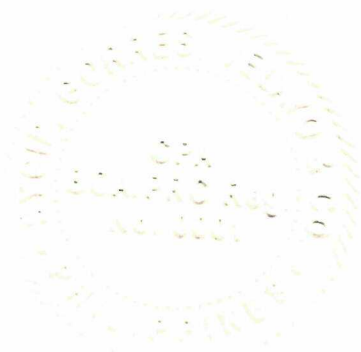
Tax Identification No. 233-299-245

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-109-2023, October 26, 2023, valid until October 25, 2026

PTR No. 10465281, January 2, 2025, Makati City

June 18, 2025



COFORGE BPS PHILIPPINES, INC.*(A Wholly-owned Subsidiary of Coforge Business Process Solutions Private Limited)***STATEMENTS OF FINANCIAL POSITION**

	March 31	
	2025	2024
ASSETS		
Current Assets		
Cash in banks (Note 4)	₱33,789,930	₱78,527,240
Trade and other receivables (Note 5)	458,734,756	470,901,762
Prepayments and other current assets (Note 6)	15,516,975	12,677,534
Refundable deposits (Note 16)	1,030,640	1,507,055
Total Current Assets	509,072,301	563,613,591
Noncurrent Assets		
Refundable deposits (Note 16)	23,888,173	18,829,089
Property and equipment - net (Note 7)	87,098,316	103,845,612
Right-of-use assets (Note 16)	166,125,498	174,328,597
Deferred tax assets - net (Note 17)	151,781	736,872
Total Noncurrent Assets	277,263,768	297,740,170
TOTAL ASSETS	₱786,336,069	₱861,353,761
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 8)	₱105,609,690	₱114,572,496
Due to related parties (Note 10)	2,115,104	5,191,972
Lease liabilities (Note 16)	58,646,991	43,961,875
Total Current Liabilities	166,371,785	163,726,343
Noncurrent Liabilities		
Retirement benefit obligation (Note 9)	1,392,022	1,280,147
Lease liabilities (Note 16)	129,202,575	143,496,263
Total Noncurrent Liabilities	130,594,597	144,776,410
TOTAL LIABILITIES	296,966,382	308,502,753
Equity		
Share capital (Note 11)	152,787,654	152,787,654
Retained earnings (Note 11)	313,214,114	376,946,978
Other comprehensive income (Note 9)	23,367,919	23,116,376
Total Equity	489,369,687	552,851,008
TOTAL LIABILITIES AND EQUITY	₱786,336,069	₱861,353,761

See accompanying Notes to Financial Statements.

COFORGE BPS PHILIPPINES, INC.*(A Wholly-owned Subsidiary of Coforge Business Process Solutions Private Limited)***STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended March 31	
	2025	2024
REVENUE (Note 12)	₱1,162,777,820	₱1,182,490,417
COST OF SERVICES (Note 13)	705,543,479	666,747,055
GROSS PROFIT	457,234,341	515,743,362
OPERATING EXPENSES (Note 14)	162,017,407	124,413,078
OTHER INCOME (CHARGES) - net		
Interest expense (Note 16)	(19,651,002)	(13,444,742)
Foreign exchange gain - net	10,982,136	18,054,664
Interest income (Note 4)	69,332	196,399
Others	66,129	250,687
	(8,533,405)	5,057,008
INCOME BEFORE INCOME TAX	286,683,529	396,387,292
PROVISION FOR INCOME TAX (Note 17)		
Current	19,822,676	28,525,444
Deferred	572,384	(168,533)
	20,395,060	28,356,911
NET INCOME	266,288,469	368,030,381
OTHER COMPREHENSIVE INCOME		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Actuarial gain on defined benefit obligation (Note 9)	264,250	5,469,908
Income tax effect	(12,707)	(258,712)
	251,543	5,211,196
TOTAL COMPREHENSIVE INCOME	₱266,540,012	₱373,241,577

See accompanying Notes to Financial Statements.

COFORGE BPS PHILIPPINES, INC.*(A Wholly-owned Subsidiary of Coforge Business Process Solutions Private Limited)***STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

	Share Capital	Retained Earnings	Other Comprehensive Income	Total
Balances as at March 31, 2023	₱152,787,654	₱338,936,597	₱17,905,180	₱509,629,431
Net income	—	368,030,381	—	368,030,381
Other comprehensive income (Note 9)	—	—	5,211,196	5,211,196
Total comprehensive income	—	368,030,381	5,211,196	373,241,577
Declaration of dividends (Note 11)	—	(330,020,000)	—	(330,020,000)
Balances as at March 31, 2024	152,787,654	376,946,978	23,116,376	552,851,008
Net income	—	266,288,469	—	266,288,469
Other comprehensive income (Note 9)	—	—	251,543	251,543
Total comprehensive income	—	266,288,469	251,543	266,540,012
Declaration of dividends (Note 11)	—	(330,021,333)	—	(330,021,333)
Balances as at March 31, 2025	₱152,787,654	₱313,214,114	₱23,367,919	₱489,369,687

See accompanying Notes to Financial Statements.

COFORGE BPS PHILIPPINES, INC.*(A Wholly-owned Subsidiary of Coforge Business Process Solutions Private Limited)***STATEMENTS OF CASH FLOWS**

	Years Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱286,683,529	₱396,387,292
Adjustments for:		
Depreciation (Notes 7, 13, 14 and 16)	98,867,578	96,173,559
Unrealized foreign exchange loss (gain) - net	6,448,867	(18,054,664)
Interest expense (Note 16)	19,651,002	13,444,742
Retirement expense (Note 9)	376,125	1,627,282
Interest income (Note 4)	(69,332)	(196,399)
Operating income before working capital changes	411,957,769	489,381,812
Decrease (increase) in:		
Trade and other receivables	4,257,881	(113,634,923)
Prepayments and other current assets	(2,839,441)	(138,296)
Refundable deposits	(4,582,669)	(5,818,716)
Decrease in:		
Trade and other payables	(7,433,137)	(18,082,840)
Due to related parties	(3,076,868)	(961,724)
Net cash generated from operations	398,283,535	350,745,313
Interest received	69,332	196,399
Income taxes paid	(23,921,328)	(25,417,837)
Net cash from operating activities	374,431,539	325,523,875
CASH FLOWS USED IN INVESTING ACTIVITY		
Acquisitions of property and equipment (Note 7)	(24,952,466)	(94,833,143)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payment of dividends (Note 11)	(330,021,333)	(330,020,000)
Payment of lease liabilities (Note 16)	(68,224,290)	(50,866,369)
Cash used in financing activities	(398,245,623)	(380,886,369)
EFFECTS OF EXCHANGE RATE CHANGES	4,029,240	17,302,428
NET DECREASE IN CASH	(44,737,310)	(132,893,209)
CASH AT BEGINNING OF YEAR	78,527,240	211,420,449
CASH AT END OF YEAR (Note 4)	₱33,789,930	₱78,527,240

See accompanying Notes to Financial Statements

COFORGE BPS PHILIPPINES, INC.

(A Wholly-owned Subsidiary of Coforge Business Process Solutions Private Limited)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Financial Statements

Corporate Information

Coforge BPS Philippines, Inc. (hereinafter referred to as the “Company”) was registered with the Philippine Securities and Exchange Commission (SEC) on October 29, 2015.

The principal activity of the Company is to engage in and carry on the business of providing outsourced services and business process management to clients from multiple industries, which includes but not limited to, responsibilities over specific business functions and processes, performance of back-office operations, call center services and IT-enabled services including data analysis and processing services to overseas clients and consumers.

On June 23, 2022, the Securities and Exchange Commission approved the amendments of the Company’s corporate name to Coforge BPS Philippines, Inc. (formerly SLK Global Philippines) and its principal office to be established at Ground Floor, Vector 3, Northgate, Filinvest City, Alabang, Muntinlupa.

The Company is a wholly-owned subsidiary of Coforge Business Process Solutions Private Limited (formerly SLK Global Solutions Private Limited), hereinafter referred to as the (“Parent Company”), a foreign company organized and existing under the laws of India. The global ultimate parent is Coforge Limited, a foreign company organized and existing under the laws of India.

The Company is registered with PEZA, as an Ecozone IT Enterprise under Registration Number 16-010 issued on January 20, 2016. The Company started its commercial operation on July 1, 2016. Subsequently, the Company filed for registration of its new activity, particularly “Business Process Outsourcing/Call Center Operations,” as an Expansion Project which has been approved under Supplemental Agreement dated July 5, 2018 and August 23, 2023 (see Note 21).

The Company’s registered address and principal place of business is at Ground Floor, Vector 3, Northgate Filinvest City, Alabang, Muntinlupa City, Philippines.

Authorization for Issuance of the Financial Statements

The financial statements of the Company have been approved and authorized for issuance by the Board of Directors on June 18, 2025.

2. Basis of Preparation, Statement of Compliance and Summary of Material Accounting Policies

Basis of Preparation

The financial statements have been prepared on a historical cost basis which are presented in Philippine Peso, which is the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards, which includes all applicable PFRS Standards, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and Board of Accountancy (BOA), and adopted by the SEC.



Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. Adoption of these new standards did not have any significant impact on the Company's financial position or performance.

Unless otherwise indicated, adoption of these new standards did not have an impact on the Company's financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to March 31, 2025. Additional disclosures required by these new and amended accounting standards and interpretations will be included in the financial statements when they are adopted.

Summary of Material Accounting Policies

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instruments.



Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets classified under this category include cash in banks, trade and other receivables, and refundable deposits.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECL) on its financial assets measured at amortized cost.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value when appropriate.

For cash in banks, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risks investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instruments has significantly increased in credit risk and estimate ECLs.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated as fair value through profit or loss (FVTPL) upon the inception of the liability. These include liabilities arising from operating and financing activities.

Trade and other payables and due to related parties are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are measured at amortized cost, normally equal to the nominal amount.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium or discount and any directly attributable transaction costs.



The Company's trade and other payables (except for statutory payables) and due to related parties are classified as other financial liabilities.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At the end of each reporting period, items of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Computers	3 to 10
Furniture and fixtures	10
Office equipment	5 to 15

Leasehold improvements are depreciated over the improvements' useful life of 3 years or when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Employee Benefits

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period that are expected to be settled wholly before twelve months after the end of the reporting period.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-employment benefits

The Company classifies its retirement benefit as defined benefit plan. Under the defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or credit recognized in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.



Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item retirement benefits. Curtailment gains and losses are accounted for as past service costs.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that is principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Sale of services is recognized over time as the customers simultaneously receive and consume the benefits of the services being performed.

Foreign Currency-Denominated Transactions

Transactions in foreign currencies are initially recorded using the applicable exchange rates at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are restated using the applicable exchange rates at the end of the reporting period. Foreign exchange gains or losses arising from foreign currency transactions are recognized in profit or loss.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets.

For these leases, the Company recognizes the lease payments as operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.



The ROU assets are presented as a separate line in the statements of financial position. The Company applies PAS 36, *Impairment of Assets* to determine whether an ROU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognized as expense in the period in which the event or condition that triggers those payments occurs and are included in the line operating expenses in the statements of comprehensive income.

As a practical expedient, PFRS 16, *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Income taxes

Income tax expense represents the current and deferred income tax expense.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using a tax rate of 5% on gross income for PEZA-registered activities. For all other activities, tax is calculated using a regular corporate income tax (RCIT) rate of 25% in 2025 and 2024.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Events after the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.



3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company was determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company in determining the cost of its operations.

Identification of lease contract

The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains, a lease when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

Determination of indicators of impairment of nonfinancial assets

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount which is the higher of an asset's fair value less costs to sell and value-in-use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Based on management's evaluation, no indication of impairment was noted in the Company's nonfinancial assets as of March 31, 2025 and 2024.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



Estimating allowance for ECL for financial assets at amortized cost

The Company's receivables pertain to intercompany transactions, for the receivables from related parties, including the advances to affiliates, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing ECL against recorded receivable amounts. The impairment loss is re-evaluated and adjusted as additional information is received.

Total trade and other receivables as at March 31, 2025 and 2024 amounted to ₱458,734,756 and ₱470,901,762, respectively, as disclosed in Note 5. Management believes that the collectability of the Company's trade and other receivables is certain. Accordingly, no provision for ECL was recognized in both years.

Estimating useful lives of assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of the Company's property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The carrying amounts of the Company's property and equipment amounted to ₱87,098,316 and ₱103,845,612 as at March 31, 2025 and 2024, respectively. Total accumulated depreciation as at March 31, 2025 and 2024 amounted to ₱246,982,191 and ₱205,282,429, respectively, as disclosed in Note 7.

Estimating cost of ROU assets

Determining the cost of ROU assets includes the amount of lease liabilities recognized and the estimated costs to be incurred in dismantling and removing the underlying asset or restoring it to the condition required by the contract.

Lease liabilities are measured at the present value of lease payments to be made over the lease term. In calculating the lease liabilities, the Company uses its borrowing cost at the time of the commencement of the lease term.

As at March 31, 2025 and 2024, the carrying amounts of the Company's ROU assets amounted to ₱166,125,498 and ₱174,328,597, respectively. Total accumulated depreciation as at March 31, 2025 and 2024 amounted to ₱104,030,347 and ₱46,862,532, respectively, as disclosed in Note 16.

Estimating retirement benefits and other post-employment benefits

The determination of the retirement benefit obligation and other post-employment benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, mortality and rates of compensation increase. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the amount of retirement benefit obligation and other post-employment benefits recognized.



The total retirement expense recognized in 2025 and 2024 amounted to ₱376,125 and ₱1,627,282, respectively, while the retirement benefit obligation as at March 31, 2025 and 2024 amounted to ₱1,392,021 and ₱1,280,147, respectively, as disclosed in Note 9.

Recognition of deferred tax assets

The Company recognized a deferred tax asset resulting from provisions for retirement, leave encashment, 13th month pay and incentives. The Management believes that future taxable income will be available from which this deferred tax asset will be utilized.

As at March 31, 2025 and 2024, the Company's gross deferred tax assets amounted to ₱1,168,925 and ₱1,741,309, respectively, as disclosed in Note 17.

Determining the incremental borrowing rate

The Company measures the lease liability at the present value of lease payments discounted using the incremental borrowing rate since the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate was estimated to be the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The incremental borrowing rate applied to lease liabilities recognized in the statements of financial position ranges from 9 to 10%.

As at March 31, 2025 and 2024, the amount of lease liability amounted to ₱187,849,567 and ₱187,458,138, respectively, as disclosed in Note 16.

4. Cash in Banks

Cash in banks at the end of the reporting period as shown in the statements of cash flows amounted to ₱33,789,930 and ₱78,527,240 as at March 31, 2025 and 2024, respectively.

Cash in banks earned average interest of 0.23% and 0.17% in 2025 and 2024 respectively.

Interest income recognized in the statements of comprehensive income amounted to ₱69,332 and ₱196,399 in 2025 and 2024, respectively.

5. Trade and Other Receivables

The Company's trade and other receivables consist of:

	2025	2024
Trade receivables from related parties (Note 10)	₱458,734,756	₱466,817,293
Insurance receivable	—	4,319,045
Total receivables	458,734,756	471,136,338
Less: Allowance for doubtful accounts	—	234,576
Net receivables	₱458,734,756	₱470,901,762

The average credit period on rendering of services is 60 days. No interest is charged on trade receivables after the credit period.



6. Prepayments and Other Current Assets

	2025	2024
Prepaid rent	₱7,376,321	₱6,445,883
Advances to suppliers	5,194,450	4,515,863
Advances to officers and employees	1,116,970	846,039
Others	1,829,234	869,749
	₱15,516,975	₱12,677,534

The Company's prepaid rent pertains advances to office and parking rental. Advances to suppliers relates to advances to common charges and repair and maintenance. Others include advances for repair and maintenance, input VAT, and prepayments.

7. Property and Equipment - net

	Computers	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost					
At April 1, 2023	₱89,068,100	₱19,983,447	₱35,972,147	₱69,271,204	₱214,294,898
Acquisitions	39,187,345	16,106,020	11,541,212	27,998,566	94,833,143
At March 31, 2024	₱128,255,445	₱36,089,467	₱47,513,359	₱97,269,770	₱309,128,041
Acquisitions	10,234,645	480,880	807,852	13,429,089	24,952,466
At March 31, 2025	₱138,490,090	₱36,570,347	₱48,321,211	₱110,698,859	₱334,080,507
Accumulated Depreciation					
At April 1, 2023	64,208,524	13,006,147	27,082,467	53,234,970	157,532,108
Depreciation	21,709,938	1,387,269	2,039,866	22,613,248	47,750,321
At March 31, 2024	85,918,462	14,393,416	29,122,333	75,848,218	205,282,429
Depreciation	24,666,747	2,522,686	2,384,173	12,126,156	41,699,762
At March 31, 2025	₱110,585,209	₱16,916,102	₱31,506,506	₱87,974,374	246,982,191
Carrying Amounts					
March 31, 2025	₱27,904,881	₱19,654,245	₱16,814,705	₱22,724,485	₱87,098,316
March 31, 2024	₱42,336,983	₱21,696,051	₱18,391,026	₱21,421,552	₱103,845,612

Movements in the carrying amounts of property and equipment are as follows:

Depreciation of property and equipment charged to cost of services and operating expenses are as follows:

	2025	2024
Cost of services (Note 13)	₱40,103,761	₱45,169,223
Operating expenses (Note 14)	1,596,001	2,581,098
	₱41,699,762	₱47,750,321

8. Trade and Other Payables

The Company's trade and other payables consist of:

	2025	2024
Trade payables	₱3,869,156	₱9,208,936
Accrued expenses	73,320,760	75,637,430
Employee liabilities	12,998,146	13,535,009
Taxes payable	7,147,012	10,971,183
Other liabilities	8,274,616	5,219,938
	₱105,609,690	₱114,572,496



Trade payables pertain to obligations incurred by the Company in the course of its normal operations and capital acquisitions. These are unsecured, non-interest bearing and generally have 30 to 60 days' credit term.

The average credit period on purchase of certain goods or services from suppliers is one month. No interest is charged on trade payables if it exceeds the credit period.

Employee liabilities include provisions for final pay to employees, incentives, and reimbursement for teambuilding expenses.

Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. Accrued expenses consist of:

	2025	2024
Accrued salaries and benefits	₱43,830,796	₱42,485,138
Accrued leave	6,893,589	5,495,918
General provision	6,324,397	2,067,964
Repairs and maintenance	5,505,216	12,601,491
Professional fees	3,815,724	9,774,345
Outside services	2,410,997	480,687
Transportation	1,226,400	1,226,400
Recruitment	561,800	209,300
Communication	143,214	144,703
Others	2,608,627	1,151,484
	₱73,320,760	₱75,637,430

Repairs and maintenance include Microsoft office software maintenance, housekeeping charges and general repairs.

Professional fees include audit, legal, tax and other professional fees.

9. Retirement Benefit Obligation

Requirement of Republic Act (RA) 7641

RA 7641 provides for the minimum retirement pay to qualified private sector employees in the Philippines. Benefits due under RA 7641 are accounted for as defined benefit plan under PAS 19. However, there are instances when an employer establishes a defined contribution plan and does not have an equivalent defined benefit plan covering the benefits required under RA 7641.

An employee upon reaching the age of 60 years or more, but not beyond 65 years which is declared the compulsory retirement age, who has served at least five years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six months being considered as one whole year.

The Company is in compliance of the minimum requirement of RA 7641 as at March 31, 2025 and 2024.



Defined Benefit Plan

The Company operates an unfunded defined benefit plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits upon attainment of a retirement age of 60 and completion of at least five years of service.

The current retirement plan typically exposes the Company to various risks such as liquidity risk, longevity risk and salary risk.

The Company does not maintain a fund for its retirement benefit obligation. While funding is not a requirement of law, there is a risk that the Company may not have the cash if several employees retire within the same year.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	Valuation at	
	2025	2024
Discount rate	5.70%	6.17%
Expected rate of salary increase	4.00%	4.50%
Average longevity at retirement age for current employees	2.01 years	1.87 years

Amounts recognized in the statements of comprehensive income in respect of this defined benefit plan are as follows:

	2025	2024
Service cost		
Current service cost	₱300,014	₱1,297,888
Net interest income	76,111	329,394
Components of defined benefit costs recognized in profit or loss	376,125	1,627,282
Remeasurement on the net defined benefit liability recognized in OCI:		
Actuarial gain due to liability experience	264,250	5,469,908
Total	₱640,375	₱7,097,190

Movements in the remeasurement gains and losses in OCI are as follows:

	2025	2024
Beginning balance	₱24,120,813	₱18,650,905
Remeasurement gain on defined benefit obligation	264,250	5,469,908
Ending balance	₱24,385,063	₱24,120,813

The retirement benefit expense is charged to direct costs and operating expenses as follows:

	2025	2024
Cost of services (Note 13)	₱362,024	₱1,436,495
Operating expenses (Note 14)	14,101	190,787
	₱376,125	₱1,627,282

Retirement expense attributed to key management employees amounted to ₱87,305 and ₱663,731 during 2025 and 2024, respectively, as disclosed in Note 10.



Movements in the present value of the defined benefit obligation are as follows:

	2025	2024
Present value of defined benefit obligation, beginning	₱1,280,147	₱5,122,773
Current service cost	300,014	1,297,888
Interest cost	76,111	329,394
Actuarial loss (gain) due to:		
Experience adjustments	(461,857)	(5,474,844)
Changes in demographic assumptions	(6,175)	35,232
Changes in financial assumptions	203,782	(30,296)
Present value of defined benefit obligation, end	₱1,392,022	₱1,280,147

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

		Increase (Decrease) in Retirement Benefit Obligation	
	Change in Assumption	2025	2024
Discount rate	+100 basis points	(₱70,166)	(₱91,927)
	-100 basis points	78,386	104,658
Expected salary growth	+1%	86,004	111,988
	-1%	(78,259)	(99,832)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analyses, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

There has been no change in the methods and assumptions used in preparing the sensitivity analyses from prior years.

The Company does not expect to make a contribution to the defined benefit obligation during the next financial year.

Shown below is the maturity profile of the undiscounted benefit payments:

Plan Year	Expected Benefit Payments	
	2025	2024
Less than 1 year	₱594,863	₱93,150
1 to less than 5 years	271,646	458,030
5 to less than 10 years	1,591,911	1,898,678
10 to less than 15 years	3,398,461	6,739,972



The average duration of the expected benefit payments at the end of 2025 and 2024 are 2.01 years and 1.87 years, respectively.

10. Related Party Transactions

The summary of the Company's transactions and outstanding balances with related parties as at and for the years ended March 31, 2025 and 2024 are as follows:

Category	Year	Amounts	Outstanding Balance		Terms	Remarks
			Payable	Receivable		
Parent (Coforge Business Process Solutions Pvt Ltd.)						
Transfer Pricing	2025	₹182,839,567	₹-	₹ 181,634,440		Unsecured, Unguaranteed, no impairment
	2024	₹-	₹-	₹-	60 days, non-interest bearing, payable in cash	
Reimbursement of services	2025	₹283,487	₹-	₹-		Unsecured, Unguaranteed, no impairment
	2024	₹7,885,573	(₹2,832,467)	₹-	60 days, non-interest bearing, payable in cash	
Indirect Parent (Coforge Ltd.)						
Cost sharing allocation	2025	3,351,249	(2,115,104)	-		Unsecured, Unguaranteed, no impairment
	2024	5,118,580	(145,327)	-	60 days, non-interest bearing, payable in cash	
Reimbursement of services	2025	-	-	194,398		Unsecured, Unguaranteed, no impairment
	2024	224,000	-	190,946	60 days, non-interest bearing, payable in cash	
Affiliate (Coforge UK Ltd.)						
Transfer pricing	2025	58,632,136	-	19,546,404		Unsecured, Unguaranteed, no impairment
	2024	64,144,323	-	12,316,062	60 days, non-interest bearing, payable in cash	
Affiliate (Coforge DPA Australia Pty Ltd.)						
Transfer Pricing	2025	28,136,408	-	2,900,929		Unsecured, Unguaranteed, no impairment
	2024	14,770,655	-	2,398,425	60 days, non-interest bearing, payable in cash	
Affiliate (Coforge DPA NA Inc.)						
Transfer pricing	2025	16,791,502	-	1,657,643		Unsecured, Unguaranteed, no impairment
	2024	25,336,166	-	9,009,149	60 days, non-interest bearing, payable in cash	
Affiliate (Coforge Coforge Technologies Australia Pty)						
Transfer pricing	2025	2,209,578	-	2,123,333		Unsecured, Unguaranteed, no impairment
	2024	-	-	-	60 days, non-interest bearing, payable in cash	
Affiliate (Coforge BPS America Inc.)						
Transfer pricing	2025	874,168,628	-	250,677,609		Unsecured, unguaranteed
	2024	1,078,239,274	-	442,902,711	60 days, non-interest bearing, payable in cash	
Cross charges	2025	279,406	-	-	60 days, non-interest bearing, payable in cash	Unsecured, unguaranteed
	2024	96,121	-	-		Unsecured, unguaranteed
Reimbursement of services	2025	1,339,691	-	-		Unsecured, Unguaranteed, no impairment
	2024	3,287,944	(2,214,178)	-	60 days, non-interest bearing, payable in cash	
Gross due (to) from related parties	2025	₹-	(₹2,115,104)	₹458,734,756		
	2024	₹-	(₹5,191,972)	₹466,817,293		
Allowance for doubtful accounts	2025	₹-	₹-	₹-		
	2024	₹-	₹-	(₹234,576)		
Net due (to) from related parties	2025	₹-	(₹2,115,104)	₹458,734,756		
	2024	₹-	(₹5,191,972)	₹466,582,717		

The Company's related party transactions include transfer pricing, cost to cost reimbursement, and cost allocation.

Reimbursement of services are expenses cross-charged to the Company at cost for services rendered by the ultimate supplier. Such expenses include Multiprotocol Label Switching Technology (MPLS) or internet charges, travel charges and licenses fees, and other expenses. Cost sharing allocation are related to software licenses, recruitment portal, and insurance procured as a group and is allocated by the ultimate parent "Coforge Ltd." across all subsidiaries.



Transfer pricing is the result of an offshore services agreement to related parties based on agreed methodologies.

Remuneration of Key Management Personnel

The remuneration of key management personnel of the Company is set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures*:

	2025	2024
Short-term employee benefits (Note 15)	₱11,655,351	₱9,210,321
Post-employment benefits (Note 15)	87,305	663,731
	₱11,742,656	₱9,874,052

11. Equity

Components of share capital are as follows:

	2025	2024
Authorized:		
160,000,000 shares at ₱1 per share	₱160,000,000	₱160,000,000
Issued, fully paid and outstanding:		
152,787,654 shares at ₱1 per share	₱152,787,654	₱152,787,654

Ordinary shares carry one vote per share and a right to dividend.

Retained Earnings

On October 4, 2023, the Company declared cash dividends of ₱2.16 per share totaling to ₱330,020,000 against the Company's unrestricted retained earnings to all shareholders of record as at October 14, 2023 in proportion to their respective shareholdings. Cash dividends were paid on October 16, 2023.

On June 21, 2024, the Company declared cash dividends of ₱2.16 per share totaling to ₱330,021,333 against the Company's unrestricted retained earnings to all shareholders of record as at March 31, 2024 in proportion to their respective shareholdings. Cash dividends declared were paid on June 25, 2024.

Events after the End of Reporting Period

On June 18, 2025, the BOD approved the declaration of dividends amounting to ₱1.56 per share totaling to ₱238,348,740 against the Company's unrestricted retained earnings to shareholders of record as at March 31, 2025 in proportion to their respective shareholdings.

Similarly, the BOD approved a capital expenditure appropriation of ₱19,577,235 towards the expansion and growth initiatives of the Company.

12. Revenue

Revenue from contracts with customers amounting to ₱1,162,777,820 and ₱1,182,490,417 in 2025 and 2024, respectively, pertain to offshore services agreement with related parties (see Note 10).



13. Cost of Services

	2025	2024
Employee benefits (Note 15)	₱572,727,064	₱517,423,702
Depreciation (Notes 7 and 16)	95,083,557	90,974,989
Repairs and maintenance	25,078,598	25,137,262
Communication	9,018,671	6,010,069
Utilities	5,773,710	4,965,499
Recruitment	2,106,922	3,397,441
Retirement expense (Note 9)	362,024	1,436,495
Professional fees	(4,974,775)	16,938,716
Others	367,706	462,882
	₱705,543,479	₱666,747,055

Others consist of travel and training expenses.

14. Operating Expenses

	2025	2024
Employee benefits (Note 15)	₱94,336,131	₱66,954,427
Security services	16,770,905	13,313,068
Repairs and maintenance	13,867,340	12,606,052
Housekeeping	8,757,168	7,188,941
Professional fees	7,528,465	6,317,312
Recruitment	7,148,461	3,632,264
Subcontractor costs	7,042,891	5,016,659
Depreciation (Notes 7 and 16)	3,784,020	5,198,570
Taxes and licenses	133,626	475,869
Travel	93,323	1,635,206
Retirement benefits (Note 9)	14,101	190,787
Others	2,540,976	1,883,923
	₱162,017,407	₱124,413,078

Others consist of business promotions, donation, membership and subscriptions, and other miscellaneous cost.

15. Employee Benefits

	2025	2024
Salaries and benefits (Notes 13 and 14)	₱566,400,583	₱495,643,870
Incentives and bonuses (Notes 13 and 14)	43,847,297	45,883,815
Employee insurance (Notes 13 and 14)	44,554,715	33,512,299
Leave entitlement (Notes 13 and 14)	12,260,600	9,341,645
Retirement benefits (Notes 13 and 14)	376,125	1,623,782
	₱667,439,320	₱586,005,411



16. Leases

The Company as Lessee

Long-term Lease Agreement

- a. The Company entered into a cancellable lease agreement with Filinvest Reit Corp. in the third quarter of 2017 for the lease of an office space located at the Ground Floor, Vector Three Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City. The lease agreement is from September 7, 2017 to September 6, 2020.

The lease contains provisions, including but not limited to, quarterly payment based on the lease rate per month of ₱675 per square meter from September 7, 2017 to September 6, 2020 and thereafter subject to an annual escalation of 5%.

The Company renewed its lease agreement related to Vector 3 for another three years at a monthly lease rate of ₱770 per square meter on February 5, 2020.

In September 2023, the Company further extended its lease agreement related to Vector 3 for another 4 years at a monthly lease rate of ₱710 per square meter.

- b. On November 29, 2019, the Company entered into a cancellable lease with Filinvest Reit Corp. for another building in Axis 1. The lease is from January 15, 2020 to January 14, 2023 at a monthly lease rate of ₱800 per square meter.

The Company renewed its lease agreement related to Axis 1 from January 15, 2023 to September 14, 2026 at a monthly lease rate of ₱750 per square meter on December 12, 2022.

- c. On May 23, 2023, the Company entered into a cancellable lease with Filinvest Reit Corp. expanding its lease at the 11th Floor of Vector Three Building. The lease is from June 27, 2023 to June 26, 2028 and at a monthly lease rate of ₱700 per square meter.
- d. On May 16, 2024, the Company entered into a cancellable lease with Filinvest Reit Corp. for another space at the 10th Floor of Vector Three Building. The lease is from September 06, 2024 to September 5, 2029 and at a monthly lease rate of ₱675 per square meter.

Total refundable deposit amounting to ₱24,918,813 and ₱20,336,144 were recognized by the Company as at March 31, 2025 and 2024, respectively. This includes refundable deposit amounting to ₱1,030,640 and ₱1,507,055 as at March 31, 2025 and 2024, respectively, which were classified as current.

The Company used the incremental borrowing rate of 9% to 10% provided by its bank as a discount rate to assess the present value of lease liability for all lease agreements.

The Company leases several assets including buildings and parking slots. The average lease term is 4.8 years in 2025 and 2024.



ROU Assets

	Buildings	Parking Slots	Total
Cost:			
Balance, April 1, 2023	P195,536,261	P7,534,435	P203,070,696
Additions	146,472,627	7,559,046	154,031,673
Retirement	(131,352,639)	(4,558,601)	(135,911,240)
Balance, March 31, 2024	P210,656,249	P10,534,880	P221,191,129
Additions	47,087,498	1,877,218	48,964,716
Balance, March 31, 2025	P257,743,747	P12,412,098	P270,155,845
Accumulated depreciation:			
Balance, April 1, 2023	P129,802,101	P4,548,432	P134,350,533
Depreciation	46,167,143	2,256,095	48,423,238
Retirement	(131,352,639)	(4,558,600)	(135,911,239)
Balance, March 31, 2024	44,616,605	2,245,927	46,862,532
Depreciation	54,470,408	2,697,407	57,167,815
Balance, March 31, 2025	P99,087,013	P4,943,334	P104,030,347
Carrying Amounts			
March 31, 2025	P158,656,734	P7,468,764	P166,125,498
March 31, 2024	P166,039,644	P8,288,953	P174,328,597

Depreciation expense on ROU assets is charged to direct costs and operating expenses as follows:

	2025	2024
Cost of services (Note 13)	P54,979,796	P45,805,766
Operating expenses (Note 14)	2,188,019	2,617,472
	P57,167,815	P48,423,238

Lease liabilities

Leases, in which the Company is the lessee, relate to properties owned by third parties with lease terms of between 1 to 5 years, with approximately 4 years or 5 years extension option. All lease contracts contain market review clauses in the event that the Company exercises its option to renew. The Company does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of lease payments based on undiscounted cash flows:

	2025	2024
Year 1	P67,075,004	P57,999,789
Year 2	70,428,754	60,899,850
Year 3	73,950,462	50,495,368
Year 4	70,123,604	38,436,575
Year 5	49,859,588	6,247,257
Total	P331,437,412	P214,078,839

Balance of lease liabilities in the statements of financial position is analyzed as:

	2025	2024
Current	P58,646,991	P43,961,875
Non-current	129,202,575	143,496,263
	P187,849,566	P187,458,138



Reconciliation of liabilities arising from financing activity

The table below details changes in the Company's liabilities arising from financing activity, including both cash and non-cash changes. Liabilities arising from financing activity are those for which cash flows were, or future cash flows will be, classified in the Company's statements of cash flows as cash flows from financing activities.

	2025	2024
Beginning balance	₱187,458,138	₱70,848,093
Non-cash changes:		
Interest expense	19,651,002	13,444,742
Principal payment	(68,224,290)	(50,866,369)
Total payment	(48,573,288)	(37,421,627)
Additions	48,964,716	154,031,672
Ending balance	₱187,849,566	₱187,458,138

Amounts recognized in profit or loss:

	2025	2024
Depreciation expense on ROU assets	₱57,167,815	₱48,423,238
Interest expense on lease liabilities	19,651,002	13,444,742
	₱76,818,817	₱61,867,980

17. Income Taxes

- a. Components of income tax expense charged to profit or loss are as follows:

	2025	2024
Current tax expense	₱19,822,676	₱28,525,444
Deferred tax expense	572,384	(168,533)
	₱20,395,060	₱28,356,911

- b. The reconciliation between tax expense and the product of accounting profit multiplied by 5% in 2025 and 2024 follows:

	2025	2024
Accounting profit from continuing operations	₱286,683,529	₱396,387,292
Tax expense at 5% GIT	₱14,330,870	₱19,819,365
Tax expense at 25% RCIT	16,532	
Adjustments resulting from the tax effect of:		
Non-deductible expenses	12,579,676	12,619,764
Non-taxable income	(3,314,416)	(3,913,685)
Exempt income under income tax holiday (ITH)	(3,789,986)	—
Movement on temporary differences	572,384	(168,533)
	₱20,395,060	₱28,356,911

- c. The deferred tax asset and deferred tax liability are presented at net amount in the statements of financial position.



The composition of deferred tax asset recognized by the Company is as follows:

	March 31, 2024	Charged to profit or loss	Charged to OCI for the Year	March 31, 2025
Provision for retirement	₱28,026	₱38,911	₱–	₱66,937
Provision for leave encashment	218,564	112,923	–	331,487
Provision for statutory bonus	277,936	90,286	–	368,222
Provision for incentives	1,216,783	(814,504)	–	402,279
Total	₱1,741,309	(₱572,384)	₱–	₱1,168,925

The composition of deferred tax liability recognized by the Company is as follows:

	March 31, 2024	Charged to Profit or Loss	Charged to OCI for the Year	March 31, 2025
Actuarial gain on defined benefit obligation	(₱1,004,437)	₱–	(₱12,707)	(₱1,017,144)

18. Fair Value Information

The fair values of the Company's financial assets and financial liabilities as at March 31, 2025 and 2024 are shown below:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash in banks (Note 4)	₱33,789,930	₱33,789,930	₱78,527,240	₱78,527,240
Trade and other receivables (Note 5)	458,734,756	458,734,756	470,901,762	470,901,762
Refundable deposits (Note 16)	24,918,813	24,918,813	20,336,144	20,336,144
	₱517,443,499	₱517,443,499	₱569,765,146	₱569,765,146
Financial liabilities:				
Trade and other payables (Note 8)	₱92,230,533	₱92,230,533	₱98,381,375	₱98,381,375
Due to related parties (Note 10)	2,115,104	2,115,104	5,191,972	5,191,972
	₱94,345,637	₱94,345,637	₱103,573,347	₱103,573,347

Trade and other payables is net of withholding tax, and other regulatory liabilities which are not considered as financial liabilities.

Due to the short-term maturities of cash in banks, trade and other receivables, trade and other payables and due to related parties, their carrying amounts approximate their fair values. The fair value of the refundable deposits cannot be measured reliably since there were no comparable market data and inputs for the sources of fair value such as discounted cash flows analysis. However, Management believes that its carrying amount approximates its fair value.



19. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks such as market risk which includes foreign exchange risk and fair value interest rate risk, credit risk and liquidity risk. The Company's policies and objectives in managing these risks are summarized below:

Market risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates, will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas such as interest rate risk and foreign currency risk. The objective and management of these risks are discussed below.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign currency exchange risk

Foreign currency exchange risk arises when an investment's value changes due to variations in currency exchange rate. Foreign exchange risk arises also when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company undertakes certain transactions denominated in foreign currencies such as US Dollar, Indian Rupee, Australian Dollar and Euro hence, exposures to exchange rate fluctuations arise with respect to such transactions. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company has no established policy in managing foreign exchange rate risk. Any favorable or unfavorable movements of foreign currency exchange rates are absorbed by the Company.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting periods are as follows:

	2025	2024
US Dollar		
Monetary assets		
Cash in banks	₱14,756,603	₱28,572,737
Trade and other receivables	458,734,756	470,901,762
Monetary liabilities		
Due to related parties	(2,115,104)	(5,191,971)
	₱471,376,255	₱494,282,528

If the foreign exchange rates had been higher or lower by -0.47% and -0.38% in 2025 and 2024, respectively, than the prevailing exchange rates at the end of the relevant year, based on observed volatilities of such currencies during the year, the Company's gain/loss for the years ended March 31, 2025 and 2024 would not have changed significantly.

The following table details the effect in the Company's profit if foreign exchange rates had been higher or lower than the prevailing rates at the end of the year. The sensitivity rates represent Management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes all outstanding foreign currency denominated financial assets and liabilities and adjusts their translation at the period end for the percentage change in foreign currency rates. A positive number below indicates an increase in profit if the Philippine Peso strengthens by the above rates against the relevant currencies.



On the other hand, if the Philippine Peso weakens against the relevant currencies by the above rates, there would be an equal and opposite impact on the profit as shown below:

	2025		2024	
	Effect in Equity	Effect in Loss	Effect in Equity	Effect in Loss
US Dollar				
Monetary Assets				
Cash	(P68,767)	(P68,767)	(P109,761)	(P109,761)
Trade receivable	(2,137,755)	(2,137,755)	(1,808,946)	(1,808,946)
Monetary Liabilities				
Due to related parties	9,857	9,857	19,945	19,945
	(P2,196,665)	(P2,196,665)	(P1,898,762)	(P1,898,762)

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The Company has no established policy in managing interest rate risk. Management believes that fluctuations on the interest rates will not have a significant effect on the Company's financial performance.

The primary source of the Company's interest rate risk relates to cash in bank as disclosed in Note 4.

Credit risk

Credit risk refers to the possibility that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Company has no significant credit risk. The Company transacts mainly with its affiliates. The table below presents the Company's maximum exposure to credit risk equal to carrying amounts of the financial assets as at March 31, 2025 and 2024.

The table below presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	2025	2024
Cash in banks	P33,789,930	P78,527,240
Trade and other receivables	458,734,756	470,901,762
Refundable deposits	24,918,813	20,336,144
	P517,443,499	P569,765,146

ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Doubtful		

(Forward)



Category	Description	Basis for recognizing ECL
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written-off

The table below details the credit quality of the Company's financial assets and other items, as well as the Company's maximum exposure to credit risk by credit risk rating grades:

	External credit rating	Internal credit rating	12m or lifetime ECL?	Gross carrying amount (i)	Loss allowance	Net carrying amount
2025						
Cash in banks (Note 4)	N/A	Performing	12m	₱33,789,930	₱-	₱33,789,930
Trade receivables (Note 5)	N/A	Performing	Lifetime	458,734,756	-	458,734,756
Other receivables (Note 5)	N/A	Performing	12m	-	-	-
Refundable deposits (Note 16)	N/A	Performing	12m	24,918,813	-	24,918,813
				₱517,443,499	₱-	₱517,443,499
2024						
Cash in banks (Note 4)	N/A	Performing	12m	₱78,527,240	₱-	₱78,527,240
Trade receivables (Note 5)	N/A	Performing	Lifetime	466,817,293	234,576	466,582,717
Other receivables (Note 5)	N/A	Performing	12m	4,319,045	-	4,319,045
Refundable deposits (Note 16)	N/A	Performing	12m	20,336,144	-	20,336,144
				₱569,765,146	₱-	₱569,765,146

Trade receivables were classified as lifetime ECL since the Company does not have a history of trade receivables aging more than 12 months.

The Company does not hold any collateral as security for these outstanding receivables.

No impaired accounts outstanding as at March 31, 2025 and 2024.

Liquidity risk

Liquidity risk arises when the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains adequate liquid assets in the form of cash and receivable which are realizable in shorter period than current liabilities' credit terms to assure necessary liquidity.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities as at March 31, 2025 and 2024:

	2025	2024
Trade and other payables (Note 8)	₱90,188,061	₱98,381,375
Due to related parties (Note 10)	2,115,104	5,191,972
	₱92,303,165	₱103,573,347

Financial liabilities presented above exclude amounts payable to government agencies for contributions and withholding and other taxes.



20. Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2024. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

As at March 31, 2025 and 2024, the Company has no outstanding external borrowings, hence, not subject to any restrictions on capital management imposed by third parties. Capital and operating expenditures were generally funded by cash generated from financing and operating activities.

The capital structure of the Company consists of debt and equity. Debt is defined as financial liabilities while equity includes share capital and retained earnings of the Company.

	2025	2024
Debt	₱90,188,061	₱98,381,375
Cash	33,789,930	78,527,240
Net assets	56,398,131	19,854,135
Equity	489,369,687	552,851,008
Net assets over equity	0.12:1	0.04:1

There were no changes in the Company's approach to capital management during the periods presented.

The Company is not subject to externally imposed capital requirements.

21. Registration with the Philippine Economic Zone Authority (PEZA)

As a registered business enterprise, the Company is entitled to certain fiscal and non-fiscal incentives provided under Republic Act (RA) No. 7916, otherwise known as the Special Economic Zone Act of 1995. The Company continues to avail incentives as provided in the Implementing Rules and Regulations (IRR) of RA 11534 otherwise known as the Corporate Recovery and Tax Incentives Act or the CREATE Act.

A. For project under the Registration Agreement with PEZA dated January 20, 2016:

1. Payment of 5% Special Corporate Income Tax (SCIT) based on gross income, in lieu of all national and local taxes, however, local taxes shall not include fees and charges as defined under Section 131 (l) and (g), respectively, of the Local Government Code of 1991.
2. Five Percent (5%) tax on gross income earned granted prior to the effectivity of CREATE Act, and to continue availing the said tax incentive at the rate of five percent (5%) for ten (10) years.

B. For project under the Supplemental Agreement with PEZA dated July 05, 2018:

1. The Income Tax Holiday (ITH) shall be limited to the income generated by the Company from a registered project or activity.
2. Registered business enterprises whose projects or activities were granted an ITH prior to the effectivity of CREATE Act and that are entitled to the five percent (5%) tax on gross income earned incentive after the ITH be allowed to use the ITH for the period specified in the terms and conditions of their registration and thereafter, avail of the five percent (5%) tax on gross income earned incentive, subject to the 10-year limit for both incentives under the (IRR) of this Act.



C. For project under Supplemental Agreement with PEZA dated August 23, 2023:

1. Income Tax Holiday (ITH) for three (3) years on incremental sales. The income qualified for the ITH shall be limited to the income directly attributable to the eligible revenue generated from the approved project located at the 11th Floor of the Vector 3 Building at the Northgate Cyberzone.
2. After the enjoyment of the ITH incentive, the REGISTRANT shall be entitled to the 5% Special Corporate Income Tax (5% SCIT) for ten (10) years. Thereafter, the REGISTRANT shall pay the Regular Corporate Income Tax (RCIT) for the approved project.
3. Thirteen (13) years duty-exemption on importation of IT equipment and/or accessories.
4. Thirteen (13) years Value-Added Tax (VAT) exemption on importation and VAT-zero rating on local purchases.

D. For all registered projects:

1. Customs Duty Exemption on Importation of Capital Equipment, Raw Materials, Spare Parts or Accessories subject to the provisions of Rule 2, Section 4 of the amended IRR of the CREATE Law.
2. Value-added Tax (VAT) zero-rating and exemption subject to the provisions of Rule 2, Section 5 of the amended IRR of the CREATE Law and Bureau of Internal Revenue (BIR) Revenue Regulations (RR) No. 21-2021 dated December 3, 2021.

In 2025 and 2024, the Company paid 5% final tax on gross income for Axis and Vector 3 - GF operations, while Vector 3 11th Floor expansion project were subjected to ITH.

22. Changes in Liabilities Arising from Financing Activities

March 31, 2025

	Beginning	Additions	Interest expense	Payments	Ending
Lease liabilities (Note 16)	₱187,458,138	₱48,964,716	₱19,651,002	(₱68,224,290)	₱187,849,566
Dividends payable (Note 11)	—	330,021,333	—	(330,021,333)	—
Total liabilities from financing activities	₱187,458,138	₱378,986,049	₱19,651,002	(₱398,245,623)	₱187,849,566

March 31, 2024:

	Beginning	Additions	Interest expense	Payments	Ending
Lease liabilities (Note 16)	₱70,848,093	₱154,031,672	₱13,444,742	(₱50,866,369)	₱187,458,138
Dividends payable (Note 11)	—	330,020,000	—	(330,020,000)	—
Total liabilities from financing activities	₱70,848,093	₱484,051,672	₱13,444,742	(₱380,886,369)	₱187,458,138



23. Supplementary Information Required by the BIR Under RR No. 15-2010

The following supplementary information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Output and input value-added tax (VAT)

The Company is registered with PEZA and is qualified enterprise for a VAT zero-rating on its purchases directly and exclusively used in its registered project or activity. As at March 31, 2025, the Company's revenue exempt and zero-rated amounted to ₱1,162,777,820.

Other taxes and licenses

Details of the Company's taxes, licenses and permit fees paid or accrued in 2025 are as follows:

Documentary stamp tax	₱1,033
Penalties	89,277
Registration and permit fees	42,276
Others	1,040
Total	₱133,626

Others include VAT payment for disposal of assets, penalties and various notary reimbursements.

Withholding taxes

Details of the Company's withholding taxes paid or accrued in 2025 are as follows:

Withholding tax on compensation and benefits	₱ 2,496,902
Expanded withholding taxes	336,490
Final Withholding Tax	260,471
Total	₱3,093,863

There are no pending tax cases as at March 31, 2025.

