



COFORGE, S.A

Annual Accounts and Directors' Report
at year-end March 31, 2023

COFORGE, S.A.
BALANCE SHEET AT YEAR-END March 31, 2023 AND 2022
(Expressed in euro)

ASSETS	Note	At 31 March	
		2023	2022
NON-CURRENT ASSETS		325,327	494,299
Intangible assets	6	6,597	15,858
Property, plant and equipment	7	35,671	77,458
Long-term investments	8, 9	180,200	103,199
Other financial assets		180,200	103,199
Deferred tax assets	16	102,859	297,784
CURRENT ASSETS		2,618,706	2,884,144
Trade and other receivables		2,272,600	1,927,279
Trade receivables for sales and services rendered	8, 10	2,214,755	1,644,951
Trade receivables, group companies and associates	8, 19	53,956	282,328
Personnel		3,889	-
Prepayments and accrued income		24,288	14,689
Cash and cash equivalents	11	321,818	942,176
TOTAL ASSETS		2,944,033	3,378,443
EQUITY AND LIABILITIES	Note	At 31 March	
		2023	2022
EQUITY			
Shareholders' funds		1,251,070	2,469,898
Share capital	12	198,900	198,900
Reserves	13	1,155,726	2,955,726
(Treasury shares)	12, 13	(54,419)	(54,419)
Prior-year losses		(630,309)	(750,111)
Profit /(loss) for year	3	581,172	119,802
CURRENT LIABILITIES		1,692,963	908,545
Short-term provisions for compensation to employees	15	192,794	175,525
Trade and other payables		1,257,446	715,670
Trade payables	8, 14	72,339	48,540
Trade payables, Group companies and associates	8, 19	638,270	282,638
Sundry payables	8, 14	73,419	39,446
Accrued wages and salaries	8, 14	112,490	118,193
Other payables from the Public Administrations	16	360,928	226,853
Accruals and deferred income		242,723	17,350
Total Equity and Liabilities		2,944,033	3,378,443

Notes 1 to 22 form an integral part of the balance sheet at March 31, 2023 and 2022

COFORGE, S.A.

INCOME STATEMENT FOR THE YEARS ENDED March 31, 2023 AND 2022
(Expressed in euro)

	Note	Year ended at 31 March	
		2023	2022
CONTINUING OPERATIONS			
Revenue	17	9,126,435	8,096,289
Services provided		9,126,435	8,096,289
Raw materials and other consumables	17	(2,903,298)	(2,326,900)
Subcontracted work		(2,903,298)	(2,326,900)
Staff costs	17	(4,692,450)	(4,927,652)
Wages, salaries and similar		(3,670,910)	(3,899,997)
Staff welfare costs		(1,021,540)	(1,027,655)
Other operating expenses	17	(642,777)	(488,292)
External services		(638,302)	(484,881)
Taxes		(3,346)	(3,411)
Losses, impairment and variation in trade provisions	10	(1,129)	-
Fixed asset amortisation/ depreciation	6, 7	(51,048)	(72,375)
OPERATING RESULTS		836,862	281,070
Finance income		1,743	138
Financial expenses		-	(553)
Exchange differences		(62,509)	(118,919)
FINANCIAL INCOME/(EXPENSE)		(60,766)	(119,334)
PROFIT/(LOSS) BEFORE TAX		776,096	161,736
Corporate income tax	16	(194,924)	(41,934)
PROFIT/(LOSS) FOR THE YEAR		581,172	119,802

Notes 1 to 22 form an integral part of the income statement at March 31, 2023 and 2022

COFORGE, S.A.

CASH FLOW STATEMENTS FOR THE YEARS ENDED March 31, 2023 AND 2022
(Expressed in euro)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2023	2022
Profit / (Loss) for the year	581,172	119,802
Total income and expenses recognized directly in equity	-	-
Transfers to Profit or Loss	-	-
Total Transfers to Profit or Loss	-	-
TOTAL RECOGNISED INCOME AND EXPENSE	581,172	119,802

B) STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	(Treasury shares)	Prior-year losses	Profit / (Loss) for the year	TOTAL
Opening balance 2022	198,900	2,955,726	(54,419)	(697,860)	(52,250)	2,350,097
Total Recognised income and expense	-	-	-	-	119,802	119,802
- Recognised income and expense	-	-	-	-	119,802	119,802
Appropriation of prior years' results	-	-	-	(52,250)	52,250	-
Other Equity Variations	-	-	-	(1)	-	(1)
End balance 2022	198,900	2,955,726	(54,419)	(750,111)	119,802	2,469,898
Opening balance 2023	198,900	2,955,726	(54,419)	(750,111)	119,802	2,469,898
Total Recognised income and expense	-	-	-	-	581,172	581,172
- Recognised income and expense	-	-	-	-	581,172	581,172
Appropriation of prior years' results	-	-	-	119,802	(119,802)	-
Dividend distribution	-	(1,800,000)	-	-	-	(1,800,000)
Other Equity Variations	-	-	-	-	-	-
End balance 2023	198,900	1,155,726	(54,419)	(630,309)	581,172	1,251,070

COFORGE, S.A.

CASH FLOW STATEMENTS FOR THE YEARS ENDED March 31, 2023 AND 2022
(Expressed in euro)

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
Profit / (Loss) before income tax	776,096	161,736
Adjustments for:	130,212	227,672
Amortisation	51,048	72,375
Variation of provisions	17,269	35,963
Finance costs	-	553
Finance income	(1,743)	(138)
Impairment	1,129	-
Exchange rate differences	62,509	118,919
Changes in working capital	348,591	(859,005)
Trade and other receivables	(345,321)	910,163
Other current assets	(9,598)	(1,471)
Creditors and other payables	478,137	(1,751,272)
Other current liabilities	225,373	(16,425)
Other cash flows from operating activities	1,743	173,089
Interest payments	-	(553)
Interest collection	1,743	138
Income Tax payments	-	173,504
Net cash from operating activities	1,256,643	(296,508)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for:	(77,001)	-
Other financial assets	(77,001)	-
Charges for:	-	200
Other financial assets	-	200
Net cash used in investing activities	(77,001)	200
FINANCING ACTIVITIES		
Collections and payments for financial liability instruments:	-	(200,000)
Payables to group companies and associates	-	(200,000)
Dividend payments	(1,800,000)	-
Dividend	(1,800,000)	-
Net cash used in financing activities	(1,800,000)	(200,000)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	(620,358)	(496,308)
Cash and cash equivalents at the beginning of the period	942,176	1,438,484
Cash and cash equivalents at the end of the period	321,818	942,176

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)

1. GENERAL INFORMATION

COFORGE, SA, (the Company), to which these notes relate, was incorporated on 13 November 2001, under the name "Seleco Segunda, SL", as a private limited company ("Sociedad Limitada").

Its name was changed on 1 March 2002 to Proyecta Sistemas de Información, SL. On 22 April 2002 it was transformed into a public limited company ("Sociedad Anónima"), It is currently regulated by Law 19/89 and the Spanish Companies Act of 1989.

On 5 November 2012 Proyecta Sistemas de Información, SA, was renamed NIIT Technologies, S.A.

On 1 September 2020, NIIT Technologies, S.A., was renamed Coforge, S.A.

At the year end the Company's registered office is located at street Mendez Alvaro N° 9, Madrid, Its tax ID is A-83163634.

The Company is registered in the Mercantile Register of Madrid, page 224, volume 17,091, sheet number M-292642, entry 22, dated 12 December 2012.

Its corporate objects are described in agreement 5 paragraph D chapter 1 Article 2 of its bylaws and consist of the performance of all kinds of advisory and consulting work concerning the development, installation, integration and maintenance of advanced IT systems and support which enable it to offer complete computing solutions through the utilisation of advanced technologies in the IT and communications field, as well as the implementation of individual tailored software packages.

COFORGE, S.A., forms part of the COFORGE Group the ultimate parent of which is COFORGE, Ltd., domiciled at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi, Delhi, 110019, India. The Group's consolidated annual accounts are filed with the Commercial Registry of New Delhi. The Group's consolidated financial statements for 2022 were prepared by the directors at the Board of Directors' meeting held on May 12, 2022.

The Company's functional currency is the euro, these annual accounts are expressed in euros.

2. BASIS OF PRESENTATION

2.1 Fair presentation

The annual accounts have been prepared in accordance with financial information regulatory framework applicable to the Company, which is the Spanish General Accounting Plan (Plan General de Contabilidad-PGC) approved by Royal Decree 1514/2007, and the amendments incorporated therein, the last being those incorporated by Royal Decree 1/2021, of January 12, in force for the years beginning on or after January 1, 2021, in order to show a true and fair view of the Company's equity, financial situation and results, as well as the veracity of the cash flows incorporated in the statement of cash flows.

2.2 Critical measurement issues and estimation of uncertainty

The preparation of the annual accounts requires the Company to make certain estimates and judgements concerning the future, these are continually evaluated and are based on historical experience and other factors, including expectations of future events considered to be reasonable under the circumstances.

The resulting accounting estimates, by definition, rarely equal real results, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
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Deferred tax assets

Deferred tax assets are recognised for all those available tax losses and taxable temporary differences with respect to which the Company is likely to record taxable income in the future enabling their application, to determine the amount of deferred tax assets that can be recognised, Management estimates the amounts and dates on which future tax profits will be obtained and the period of reversal of taxable temporary differences.

Revenue recognition

With regard to long-term fixed price projects, revenue is recognised on a “percentage of completion” basis at the year end, the “percentage of completion” is measured based on the efforts made to the year-end date as compared with estimated efforts to completion. Any loss on a contract is fully recognised as soon as it is known, based on the estimated effort to completion.

Revenues from professional services contracts are recognised over the year according to the agreed service terms.

2.3 Comparability

For comparison purposes, each of the figures in the balance sheet and profit and loss account, in addition to the figures for the year ended March 31, 2023, is presented for the previous year. The report also includes quantitative information for the previous period, except when an accounting standard specifically states that it is not necessary.

2.4 Non-mandatory accounting principles

No non-mandatory accounting principles were applied. In addition, the Directors prepared the financial statements taking into account all the mandatory accounting principles and standards that have a material effect on these financial statements. There is no mandatory accounting principle that has ceased to be applied.

3. DISTRIBUTION OF RESULTS

The distribution of results for the year meets the requirements and limitations laid down in the Bylaws and applicable legislation.

The following distribution of results will be submitted to the General Shareholders’ Meeting for approval:

Available for distribution	Euro
Profit of the year	581,172
Total	581,172
Distribution	
Prior-year losses	581,172
Total	581,172

4. ACCOUNTING PRINCIPLES AND POLICIES AND VALUATION CRITERIA.

4.1 Intangible assets

Intangible fixed assets are initially carried at cost, whether the acquisition price or the production cost, the cost of intangible assets acquired through business combinations is fair value at the acquisition date.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and, if appropriate, the accumulated amount of impairment adjustments recognised.

COFORGE, S.A.

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)**

Software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software, the assets are amortised over their estimated useful lives of 2 to 4 years depending on the asset concerned.

Software maintenance expenses are recognised when incurred, Development costs that are directly attributable to the design and testing of identifiable and unique computer programs controlled by the Company which are deemed likely to generate future economic benefits in excess of costs for more than one year are recognised as intangible assets, Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 4 years.

4.2 Property, plant and equipment

Property, plant and equipment is carried at acquisition price or production cost less accumulated depreciation and accumulated impairment losses recognised.

Own work capitalised is measured as calculated by adding to the price of the consumable materials used the direct or indirect costs attributable to the assets.

Costs incurred to extend, modernise or improve property, plant and equipment are only accounted for as an increase in the value of the asset when the asset's capacity, productivity or useful life is extended and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalised and depreciated over the estimated useful life of the asset, while recurring maintenance costs are charged to the income statement in the year in which they are incurred.

Depreciation of property, plant and equipment, with the exception of land, which is not depreciated, is calculated systematically using the straight-line method over the assets' estimated useful lives based on the actual decline in value brought about by operation, use and possession, estimated useful lives are:

Depreciation rates

- Machinery and tooling	12%
- Second -hand machinery and tooling	20%
- Other installations	12%
- Furnishings	10%
- Second-hand furnishings	20%
- Data-processing equipment	25%
- Other Property, plant and equipment	25%

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each balance sheet date.

When an asset's carrying amount exceeds its estimated recoverable amount, carrying amount is written down immediately to the recoverable amount.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the revenue obtained with the carrying amount and are recognised in the income statement.

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NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)

4.3 Losses due to impairment of non-financial assets

Assets are tested for impairment whenever because of an event or change in circumstances, their carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, understood as the asset's fair value less the higher of costs to sell and value in use. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash flows (Cash Generating Units), Impaired non-financial assets other than goodwill are reviewed for possible reversal of the impairment at each reporting date.

4.4 Financial assets

The Company classifies its financial assets in the different categories as financial assets at fair value with changes in profit or loss, loans and receivables and group companies' capital investments. Classification depends on the purpose for which the financial assets were acquired and Management's intentions at the time of initial recognition.

At the initial recognition, the Company classifies all its financial assets under one of the categories below, determining the initial valuation method and the subsequent valuation method:

- Financial assets at amortised cost
- Financial assets at cost.

Financial assets at amortised cost

The Company classifies a financial asset in this category, even if it has been admitted to trading in an organised market, if it meets the following conditions:

- The Company holds the investment under a management model whose aim is to receive cash flows resulting from the performance of a contract.

Managing a financial assets portfolio to obtain contractual flows does not imply all Instruments have to be held to maturity. It may be considerate that financial assets are managed with such aim even if there has been a sale or if future sales are expected. For such purpose, the Company takes into consideration the frequency, the amount and the sales schedules in previous years, the reason for those sales and the expectations over future sales.

- The contract terms produce, on specific dates, cash flows which are only payments of the principal and interest on the amount of the outstanding principal. This is, cash flows are inherent to an agreement qualifying as ordinary or common loan, notwithstanding the fact that in the transaction it may have been agreed to apply a zero interest rate or an interest rate below market price.

As a general rule, under this category are included trade receivables ("commercial customers") and non- trade receivables ("other debtors").

Financial assets are initially recognised at fair value which, barring evidence to the contrary, is the transaction price. The transaction price is equivalent to the fair value of the consideration received plus transaction costs directly attributable. This is inherent transaction costs are capitalised.

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NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
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However, credits for commercial operations with a maturity of no more than one year and that do not have a contractual interest rate, as well as advances and credits to personnel, dividends receivable and disbursements required on equity Instruments, the amount of which is expected to be received in the short term, are initially and subsequently valued at their nominal value, when the effect of not updating the cash flows is not significant.

For subsequent valuation, the amortised cost method is used. Interest accrued is recognised in the income statement (finance income) applying the effective interest method.

Credits with a maturity of no more than one year, as mentioned before, initially valued at par value, will continue to be valued at said amount, unless they have been impaired.

As a general rule, when contractual cash flows are modified due to financial difficulties from the issuer, the Company analyses whether it is appropriate to register a loss for value impairment.

Financial assets at cost

In any case, the Company includes in this category:

- a) Investments in equity instruments of group companies, multigroup companies and associates (in individual financial statements).
- b) Other investments in equity instruments whose fair value may not be determined in reference to a traded price in an active market for an identical instrument, or whose reliability may not be estimated, and derivatives having these investments as underlying assets.
- c) Equity loans whose interest are of a contingent nature, whether because a fixed or floating interest rate is agreed conditioned to compliance with a milestone in the lending company (for example, gains), or because they have been exclusively calculated referenced to the evolution of said company's activities.
- d) Any other financial asset initially classified in the portfolio at fair value charged to the income statement when it is not possible to obtain a reasonable estimate of its fair value.

Investments included in this category are initially valued at cost, equivalent to the fair value of the consideration delivered plus the transaction costs directly attributable. This is inherent transaction costs are capitalised.

In the case of investment in group companies, if there is an investment prior to its classification as a group company, multigroup or associate company, the carrying value of said investment before the company falls under such classification will qualify as the cost of this investment.

Subsequent valuation is stated, if applicable, at cost, less any valuation adjustments due to impairment.

Derecognition in the balance sheet of financial assets

The Company derecognises a financial asset in the balance sheet when:

- The rights to receive cash flows from the asset have expired. In this regard, a financial asset is derecognised when it has expired, and the Company has received the corresponding amount.
- The rights to receive cash flows from the financial asset have been assigned. In this regard, the financial asset is derecognised when the risks and benefits inherent to the property have been substantially transferred. In particular, in the event of buy-back sale, factoring and securitisation transactions, the financial asset is derecognised once the Company's exposure, before and after the assignment, to variation in amounts and the schedule of cash flows applicable to the transferred assets, when it is inferred all risks and benefits have been transferred.

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023 (Expressed in euro)

4.5 Equity

Share capital consists of ordinary shares.

The costs of issuing new shares or options are recognised directly in equity as a reduction in reserves.

In the event that the Company acquires treasury shares, the compensation paid including any incremental cost that is directly attributable is deducted from equity until the shares are eliminated, issued again or otherwise disposed of, when these shares are sold or subsequently reissued, any amount received, net of any incremental directly attributable transaction costs, is included in equity.

4.6 Financial liabilities

Classification and valuation

At the initial recognition, the Company classifies all its financial assets under one of the categories below:

- Financial liabilities at amortised cost
- Financial liabilities at fair value with changes in the profit and loss statement.

Financial liabilities at amortised cost

The Company classifies all financial liabilities under this category, unless they should be measured at fair value charged to the income statement.

As a general rule, trade payables ("suppliers") and non-trade payables ("other creditors") are included in this category.

Financial liabilities included in this category are initially recognised at fair value which, barring evidence to the contrary, is the transaction price. The transaction price is equivalent to the fair value of the consideration received plus transaction costs directly attributable. This is inherent transaction costs are capitalised.

However, trade payables that have no contractual interest rate and are payable within a year, as well as capital called up by third parties, which is expected to be paid in the short term, are measured at their par value, when the effect of discounting is immaterial.

For subsequent valuation, the amortised cost method is used. Interest accrued is recognised in the income statement (finance expense) applying the effective interest method.

However, payables maturing in less than a year, in accordance with the foregoing, are initially measured at their par value, will continue to be measured at said amount.

Contributions received as a result of a contract for joint accounts contracts or similar are valued at the cost, increased or decreased by the profit or loss, respectively, to be attributed to non-management shareholders.

The same applies to shareholder loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon conditional on the fulfilment of a milestone in the borrowing undertaking (for example, the realisation of profits) or because they are calculated exclusively by reference to the development of the activity of that undertaking. Financial expenses are recognised in the profit and loss account on an accrual basis, and transaction costs shall be charged to the profit and loss account on a financial basis or, if not applicable, across the life of the shareholder loan

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)

Derecognition in the balance sheet of financial liabilities

The Company derecognises in the balance a financial liability previously recognised when one of the following circumstances are met:

- The obligation has been extinguished due to a payment made to the creditor to cancel the debt (through cash payment or other goods or Services) or because the debtor is legally waived from any responsibility with regards to the liability.
- Own financial liabilities are acquired, even if the intention is to relocate them in the future.
- There is an exchange of debt instruments between a lender and a borrower, provided they have substantially different terms, recognizing the new financial liability that arises; in the same way a substantial modification of the current conditions of a financial liability is recorded, as indicated for debt restructurings.

The derecognition of a financial liability is done as follows: the difference between the carrying amount of the financial liability (or the part of the financial liability derecognised) and the amount paid, including attributable transaction costs, registering any asset transferred other than cash or liability, is registered in the Income statement for the year when it takes place.

4.7 Current and deferred taxes

Income tax expense (income) is that amount of income tax that accrues during the period. It includes both current and deferred tax expense (income).

Both current and deferred tax expense/income are recognised in the income statement. However, the tax effect of items recorded directly in equity is recognised in equity.

Current tax assets and liabilities are carried at the amounts that are expected to be recoverable or payable with the tax authorities, in accordance with prevailing legislation or regulations that have been approved and are pending publication at the year end.

Deferred tax is calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

However, if the deferred taxes arise from the initial recognition of a liability or an asset on a transaction other than a business combination that at the time of the transaction has no effect on the tax or accounting gain or loss, they are not recognised. The deferred tax is determined applying tax regulations and rates approved or about to be approved at the balance sheet date and which are expected to be applied when the corresponding deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised insofar as future tax profits will probably arise against which to offset temporary differences as well as tax loss carryforwards. To this end, the Company's management evaluates this situation through the business plan used to make estimates of future taxable income, in accordance with the market reality and the specific characteristics of the entity. However, when the Company shows a history of continuing losses, it is presumed, unless there is evidence to the contrary, that it is not probable that gains will be available to offset the tax loss carryforwards, deductions and temporary differences.

4.8 Employee benefits

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises these benefits when it has demonstrably undertaken to terminate employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits not falling due more than 12 months after the end of the reporting period are discounted to their present value.

COFORGE, S.A.

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)**

4.9 Provisions and contingent liabilities

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, an outflow of funds will probably be necessary to settle the obligation, and the amount may be reliably estimated, restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are stated at the present value of the payments that are expected to be necessary to settle the obligation using a pre-tax rate that reflects an evaluation of the current market, the present value of money and the specific risks of the obligation. Adjustments to the provision due to restatements are recognised as a financial expense as they accrue.

Provisions maturing in one year or less with an immaterial effect are not discounted.

Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised separately when, and only when, it is virtually certain that reimbursement will be received.

Contingent liabilities are considered to be potential liabilities deriving from past events, the existence of which is subject to the occurrence of one or more future events that are beyond the Company's control. These contingent liabilities are not recognised in the accounts but are described in the notes.

The Company does not have contingent liabilities and discloses in Note 15 to the annual accounts the provisions recognised at March 31, 2023 and March 31, 2022, respectively.

4.10 Revenue recognition

The Company recognises income for ordinary business activities when control of goods and services committed to clients is transferred:

For the accounting registration of income, the Company follows the process described in the following subsequent stages:

- a) Identifying the contact (or contracts) with the client, understood as an agreement between two or more parties resulting in rights and obligations required to them.
- b) Identifying the obligation or obligations to be met under the contract, representing the commitment to transferring goods or providing services to a client.
- c) Determining the transaction price, or the remuneration for a contract to which the Company expects to be entitled in exchange for the transfer of goods or the provision of the services undertaken with the client.
- d) Assigning the transfer price for the obligations to be met, based on the individual sale prices for each good or service different to the one undertaken by virtue of the contract or, if applicable, following a sale price estimate when it cannot be determined separately.
- e) Recognising income for ordinary business activities when the Company meets an obligation undertaken by virtue of the transfer of a good or the provision of a service. Such compliance takes place when the client acquires the control of that good or service, so the income amount for those ordinary business activities recognised would be the amount assigned to the contractual obligation settled.

1. Recognition

The Company recognises income resulting from a contract when there is a transfer to the client of the control of goods or services undertaken (this is, the obligation or the obligations to be met).

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To identify each obligation, the Company determines the start of the contract if the commitment undertaken is met over the time or in a specific moment.

Income resulting from commitments met over time are recognised based of the degree of advance or progress towards the full compliance with the obligations under contract provided the Company has reliable information to measure the degree of advance.

In the case of obligations met in a specific moment, income arising from their execution are recognised on that date. Costs incurred in during the production or manufacturing of a product are recognised as stock.

1.1. Compliance with obligations over time.

The Company transfers the control of an asset over time when one of the following criteria are met:

- a) The client simultaneously receives and consumes the benefits resulting from the Company's activities while the entity develops them.
- b) The Company produces or improves an asset the client controls while the activity is developed.
- c) The Company prepares a specific asset for a client that does not have an alternative use and the Company is entitled to collect payments from the activity completed up until that date.

1.2. Indicators of compliance with obligations in a moment.

To identify the specific moment when a client obtains the control of an asset, the Company takes into consideration the following indicators:

- a) The client assumes the significant risks and benefits inherent to the ownership of the assets.
- b) The Company transfers the physical ownership of the asset,
- c) The client receives the asset in accordance with the specifications under the contract.
- d) The Company has a right to collect payments for transferring the asset.
- e) The client holds the ownership of an asset.

2. Measurement.

Ordinary business income arising from the sale of goods and the provision of services is measured for the cash amount or, if applicable, for the fair value of the consideration, received or to be received. The consideration is the price agreed for the assets to be transferred to the client, deducting: the amount of any discount, reduction in the price or other similar items the Company may grant, as well as interests added to the par value of credits.

In accordance with the accrual principle, income is registered when there is transfer of control and expenses when they occur, regardless of the collection or payment date.

4.11 Leases

- a) When the Company is the lessee (Finance lease)

The Company leases certain property plant and equipment. When, in accordance with a lease for property, plant and equipment, the Company holds substantially all the rights and rewards of ownership, it is classified as a finance lease. Finance leases are capitalised at inception at the lower of the fair value of the leased property or the present value of the minimum payments due on the lease. Present value is calculated using the interest rate implicit in the lease agreement and, if this rate cannot be determined, the interest rate applied by the Company on similar transactions.

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Each lease payment is distributed between the liability and financial charges. The total financial charge is apportioned over the lease term and taken to the income statement in the period of accrual, using the effective interest method. Contingent instalments are expensed in the year they are incurred, Lease obligations, net of financial charges, are recognised in "Finance lease creditors". Fixed assets acquired under finance lease are depreciated over their useful lives.

b) When the Company is the lessee (Operating lease)

Leases in which the lessor maintains a significant part of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

4.12 Foreign currency transactions

a) Functional and presentation currency

The Company's annual accounts are presented in euro, which is both its functional and presentation currency.

b) Transactions and balances

Transactions in foreign currency are translated to the functional currency using the exchange rates in force at the transaction date. Foreign exchange gains and losses resulting from the settlement of these transactions and translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

Transactions carried out in foreign currency (pound sterling, US dollars and Indian rupees) are as follows:

	2023	Euro 2022
Services received	1,522,540	1,549,174
Pound sterling	198,790	147,564
US dollars	1,323,750	1,401,610
Services rendered	1,715,759	2,068,023
Pound sterling	-	63,600
US dollars	1,715,759	2,004,423

Balances on the balance sheet denominated in foreign currency (pound sterling, US dollars and Indian rupees) are as follows:

	2023	Euro 2022
Asset balances denominated in foreign currencies	190,532	220,992
Pound sterling	-	30,500
US dollars	190,532	190,492
Liability balances denominated in foreign currencies	385,162	242,372
Pound sterling	95,212	15,000
US dollars	289,950	227,372

4.13 Related party transactions

As a general rule, intragroup transactions are initially recognised at fair value. If applicable, where the agreed price differs from fair value, the difference is recognised based on the economic reality of the transaction. Subsequent measurement is made in line with the relevant accounting standards.

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4.14 Treasury shares

Treasury shares are recognised in equity as a decrease in "Shareholders' funds" when acquired. No loss or gain is shown in the income statement on sale or redemption. Income and expenses derived from transactions in treasury shares are recognised directly under equity as a decrease in reserves.

4.15 Cash and cash equivalents

This heading includes cash, bank accounts and deposits and assets acquired under repurchase agreements that meet all of the following requirements:

- They are convertible into cash.
- On acquisition, they mature in less than three months.
- They are not subject to significant value fluctuation risk.
- They form part of the Company's normal cash management policy.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Company's risk policies are established by the Finance Department and have been approved by Group management. On the basis of these policies, the Company has established a series of procedures and controls that enable the risks deriving from activities with financial instruments to be identified, measured and managed, under these policies, the Company may not engage in speculative transactions with derivatives.

Activities involving financial instruments expose the Company to credit, market and liquidity risk.

a) Market risk

The market risk results from the possible loss brought about by changes in fair value or future cash flows from a financial instrument due to changes in market prices. The market risk includes the interest rate risk, exchange rate risk and other price risks.

Interest rate risk

The interest rate risk results from the possible loss brought about by changes in fair value or future cash flows from a financial instrument due to changes in market interest rates.

Foreign exchange risk

The foreign exchange rate risk results from the possible loss brought about by changes in fair value or future cash flows from a financial instrument due to fluctuations in exchange rates. The Company's exposure to exchange rate fluctuation risk is mainly due to sales made in currencies other than the functional currency.

The Company has assets and liabilities denominated in foreign currency at March 31, 2023 and 2022 and has carried out transactions in a currency other than the euro in the year ended March 31, 2023 and 2022, as detailed in Note 4, 12b) to these accounts.

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b) Credit risk

The credit risk results from the possible loss brought about by non-compliance with contractual obligations by the Company's counter parties, i.e, the possible non-recovery of financial assets for the amounts reflected within the established timeframe.

Maximum credit risk exposure at March 31, 2023 and 2022 was as follows:

(Euro)	2023	2022
Long-term investments	180,200	103,199
Trade and other receivables	2,272,600	1,927,279
	2,452,800	2,030,478

Monthly the Company prepares an ageing analysis of each balance receivable, which serves as a basis for managing their collection. Overdue accounts are claimed by the managers monthly until they are delayed by more than six months in excess of the historical average, at which time they are passed on to the legal counsel to be monitored and, if necessary, to be claimed in court.

The balance in Trade receivables for sales and services rendered amounting to €2,040,593 (2022: €1,644,952) is practically the whole risk recognised as "Trade and other receivables", These break down as follows, by age, at March 31, 2023 and 2022:

(Euro)	Continuing operations (Note 10)	
	2023	2022
Not due	2,168,446	1,474,906
Due but not doubtful	46,309	170,045
More than 90 days	46,309	170,045
	2,214,755	1,644,951
Doubtful	92,599	91,470
Impairment adjustments	(92,599)	(91,470)
Total	2,214,755	1,644,951

The detail of the concentration of credit risk by counterparty of Trade receivables for sales and services rendered (not including doubtful debtors) is the following:

(Euro)	31/03/2023		31/03/2022	
	Number of customers	Amount	Number of customers	Amount
Balance over €1,000,000	1	1,180,979	-	-
Balance between €500,000 and €1,000,000			2	1,180,006
Balance between €200,000 and €500,000	3	879,312	1	222,755
Balance between €100,000 and €200,000			-	-
Balance under €100,000	8	154,464	14	242,190
Total		2,214,755		1,644,951

c) Liquidity risk

The liquidity risk results from the fact that the Company may not have liquid funds or have access to such funds in a sufficient amount and at an adequate cost to meet its payment obligations.

The Company has guaranteed at all times its liquidity needs through the financial support of the Group.

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6. INTANGIBLE ASSETS

Movements in "Intangible assets" in 2022 and 2022 are as follows:

Euros

	31/03/2022	Additions	31/03/2023
Software and licences	146,425	-	146,426
Accumulated Amortisation Intangible assets	(130,567)	(9,261)	(139,829)
Carrying amount	15,858	(9,261)	6,597

Euros

	31/03/2021	Additions	31/03/2022
Software and licences	146,425	-	146,425
Accumulated Amortisation Intangible assets	(114,340)	(16,227)	(130,567)
Carrying amount	32,085		15,858

At March 31, 2023, fully-amortised intangible assets amounting to €120,935 were still in use (at March 31, 2022: €70,894),

7. PROPERTY, PLANT AND EQUIPMENT

Movements in "Property, plant and equipment" for the years ended March 31, 2023 and 2022 are as follows:

	31/03/2022	Additions	31/03/2023
Plant	33,150	-	33,150
Fixtures and fittings	125,050	-	125,050
Furnishings	73,920	-	73,920
Data-processing equipment	233,758	-	233,758
Other Property, plant and equipment	8,286	-	8,286
	<u>474,164</u>	<u>-</u>	<u>474,164</u>
Accumulated depreciation, plant	(33,150)	-	(33,150)
Accumulated depreciation, fixtures and fittings	(98,550)	(20,695)	(119,245)
Accumulated depreciation, furnishings	(46,699)	(5,062)	(51,761)
Accumulated depreciation, computer hardware	(210,021)	(16,030)	(226,051)
Accumulated depreciation, other PPE	(8,286)	-	(8,286)
	<u>(396,706)</u>	<u>(41,787)</u>	<u>(438,493)</u>
Carrying amount	77,458		35,671
	31/03/2021	Adiciones	31/03/2022
Plant	33,150	-	33,150
Fixtures and fittings	125,050	-	125,050
Furnishings	73,920	-	73,920
Data-processing equipment	233,758	-	233,758
Other Property, plant and equipment	8,286	-	8,286
	<u>474,164</u>	<u>-</u>	<u>474,164</u>
Accumulated depreciation, plant	(33,150)	-	(33,150)
Accumulated depreciation, fixtures and fittings	(75,771)	(22,779)	(98,550)
Accumulated depreciation, furnishings	(41,604)	(5,095)	(46,699)
Accumulated depreciation, computer hardware	(181,792)	(28,229)	(210,021)
Accumulated depreciation, other PPE	(8,240)	(46)	(8,286)
	<u>(340,557)</u>	<u>(46)</u>	<u>(396,706)</u>
Net Book Value	133,607		77,458

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Fully depreciated PPE at March 31, 2023 and 2022 break down as follows (in euro):

	31/03/2023	31/03/2022
Plant	33,149	33,149
Fixtures and fittings	25,382	10,362
Furnishings	23,806	23,806
Data- processing equipment	190,229	143,736
Other Property, plant and equipment	8,285	8,285
	280,851	219,338

Assets under finance lease

The carrying amount of property, plant and equipment acquired through finance leases at March 31, 2023 and 2022 is as follows:

	31/03/2023	31/03/2022
Switchboard		
Cost	15,459	15,459
Accumulated depreciation	(15,459)	(15,459)
	-	-

Operating leases

Lease instalments at March 31, 2023 relating to the lease of the offices located at street Mendez Alvaro N° 9 in Madrid have been recognised on the income statement under Other operating expenses amounting to €215,383 (€197,794 in 2022).

There are operating lease instalments for the rent of equipment and vehicles that have been recognised in the income statement under "Other operating expenses" amounting to €4,683 (€2,732 in 2022).

According to the signed contracts, the minimum amounts to be paid in the future for these items at March 31, 2023 will be:

	Office Rent	Equipment
Amounts payable in the next year	214,933	3,001
Amounts payable within the next two to five years	214,933	12,680

The fees to be paid in the coming year derive from the contract signed by the Company in May 2020 for the rental of the office referred to above, whose initial term is 3 years (May 2021), extendable for a period of two additional years. During the year 2023, the Company continues to make use of this office, meaning the contract extended tacitly, pending the completion of such an extension.

According to the signed contracts, the future minimum amounts payable at March 31, 2022 were as follows:

	Office Rent	Equipment
Amounts payable in the next year	159,886	903
Amounts payable within the next two to five years	69,727	768

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8. ANALYSIS OF FINANCIAL INSTRUMENTS

8.1 Analysis by category

The carrying amount of each category of financial instruments stipulated in the standard "Financial instruments", excluding balances with the Public Administrations, is as follows:

	Euro			
	Long-term financial assets			
	Credit		Total	
	Derivatives	Other	2023	2022
	2023	2022	2023	2022
Held-to-maturity deposits (Note 9)	180,200	103,199	180,200	103,199
	Short-term financial assets			
	Credit		Total	
	Derivatives	Other	2023	2022
	2023	2022	2023	2022
Loans and receivables (Note 10)	2,272,600	1,927,279	2,272,600	1,927,279
TOTAL	2,272,600	1,927,279	2,272,600	1,927,279

Loans and receivables relate to commercial transactions

The carrying amounts of receivables approximate their fair value, given that the effect of discounting is not significant.

	Euro			
	Short-term financial liabilities			
	Derivatives		Total	
	Other	2022	2023	2022
	2023	2022	2023	2022
Creditors and payables (Note 19)	896,518	488,817	896,518	488,817
TOTAL	896,518	488,817	896,518	488,817

Creditors and payables relate to commercial transactions with suppliers.

The exposure of the Company's creditors and payables to interest rate fluctuations and the contractual dates on which prices are reviewed at year end dates does not have a significant impact in any event.

The carrying amounts of current borrowings approximate their fair value as the effect of discounting is not significant.

None of the Company's financing agreements are subject to ratio compliance clauses and therefore the Company is not required to attain certain key performance indicators.

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8.2 Analysis by maturity

At March 31, 2023 financial instruments having fixed or determinable maturities are shown below by year of maturity:

	Euro					Total
	Financial assets					
	2022	2023	2024	2025	Subsequent years	
Other financial assets	-	2,272,600	180,200	-	-	2,452,800

As of March 31, 2022, the amounts of financial instruments with a determined or determinable maturity classified by maturity year are as follows:

	Euro					Total
	Financial assets					
	2021	2022	2023	2024	Subsequent years	
Other financial assets	-	1,927,279	103,199	-	-	2,030,478

9. HELD-TO-MATURITY INVESTMENTS

At the year - end March 31, 2023 there are long-term deposits amounting to € 29,200 (2022: €27.699), There is also a commercial guarantee (long-term taxes) confirmed by Banco Santander in the amount of 151,000 euros at March 2023 and March 2022.

At March 31, 2023 and 2022 there are no short-term deposits.

The Company has mainly recognised the deposits for the lease of the office located at Mendez Alvaro N° 9 in Madrid.

The fair values of investments held to maturity do not differ significant from the values resulting from applying amortised cost.

10. LOANS AND RECEIVABLES

	Euro	
	2023	2022
Short-term loans and receivables		
- Trade receivables	1,997,036	1,418,651
- Unbilled Trade receivables	217,719	226,300
- Group companies (Note 19)	53,956	282,328
	2,268,711	1,927,279

The fair values of loans and receivables do not differ significantly from their carrying amount,

Overdue trade receivables which are less than three months old are not considered to be impaired. At March 31, 2023, overdue receivables amounted to €46,309 (2022: €170,045). At March 31, 2023 a loss of €1,129 was recognised on items of income from invoices issued.

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Movements in the provision for impairment of trade receivables are as follows:

	Euro	
	2023	2022
Opening balance	(91,470)	(91,470)
Provisions for impairment of trade receivables	(1,129)	-
Closing balance	(92,599)	(91,470)

The provision for receivables is recognised under Losses, impairment and changes in trade provisions on the income statement,

Other accounts included under Loans and receivables have not suffered any impairment.

11. CASH AND CASH EQUIVALENTS

	Euro	
	2023	2022
Cash	321,708	942,064
Other cash equivalents	110	113
	321,818	942,176

12. CAPITAL AND SHARE PREMIUM

a) Capital

At March 31, 2023 and 2022 the Company's share capital is represented by 3,315 fully subscribed and paid registered shares with a par value of € 60 each.

On 12 August 2011 the Company's former shareholders that at that date held 95,48% of the shares, sold them to the Group company COFORGE Limited, UK, a wholly owned subsidiary of COFORGE Ltd, India, the NIIT group's ultimate parent company.

The company with an interest of more than 10% in the Company's share capital is COFORGE Limited UK which owns 95,48%

b) Treasury shares

The Company has in the net equity of the balance sheet treasury shares in special situations amounting to 54,419 euros, valued at their acquisition or purchase price. These are 150 shares with a nominal value of 60 euros each.

The percentage represented by the own shares held by the Company as of March 31, 2023 and March 31, 2022 is 4.52% of a share capital of 198,900 euros.

These shares are acquired for the purpose of being disposed of, held or redeemed through a capital reduction.

There is a restricted reserve equivalent to the value of the treasury shares under liabilities on the balance sheet, this reserve will be maintained until the shares are disposed of, (as per Article 148 of the Spanish Companies Act).

There is no change in the company's equity except for that resulting from the distribution of profits for the year.

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13. RESERVES AND PRIOR-YEAR RESULTS

a) Reserves

	Euro	
	2023	2022
Legal and bylaw:		
- Legal reserve	94,199	94,199
Other reserves:		
Voluntary reserves	1,061,527	2,861,527
	1,155,726	2,955,726

Legal reserve

In accordance with the Spanish Companies Act 2010, until the balance of the legal reserve exceeds 20% of share capital, it may not be distributed to shareholders and may only be used, if no other reserves are available, to offset losses, at March 31, 2023 and 2022, the balance in this reserve was equivalent to 20% of subscribed and paid up share capital,

Voluntary Reserves

On March 27, 2023, the Universal Shareholders' meeting agree to distribute a dividend to shareholders from the unrestricted voluntary reserves in the total amount of 1,800,000 euros.

14. CREDITORS AND PAYABLES

	Euro	
	2023	2022
Short-term borrowings and payables:		
- Trade payables	72,339	48,540
- Trade payables, Group companies and associates (Note 19)	638,270	282,638
- Accrued wages and salaries	112,490	118,193
- Sundry payables	73,419	39,446
	896,518	488,817

The fair value of short-term creditors and payables approximates fair value, since the effect of discounting is immaterial.

Concerning the information required under Additional Provision Three "Duty of information" of Law 15/2010, amended by Law 31/2014, regarding the information to be disclosed in the notes on the average supplier payment period and subsequently ICAC Resolution 29/1/2016, which came into effect on 5 February 2016 for annual accounts for years starting on or after 1 January 2015, the average supplier payment period at March 31, 2023 and 2022 is as follows:

	2023	2022
	(days)	(days)
Average supplier payment period	23	26
Ratio of paid transactions	28	32
Ratio of outstanding transactions	19	22
	Euros	Euros
Total payments	1,215,608	841,969
Total outstanding payments	71,813	52,889

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Invoice Volume	March 31, 2023
Total number of invoices paid during the fiscal year	581
Number of invoices paid on time	581
On-time payments (%)	100%
(euros)	
Total amount of invoices paid during the fiscal year	1,215,608
Total amount of invoices paid within the deadline	1,215,608
On-time payments (%)	100%

15. OTHER PROVISIONS FOR COMPENSATION TO EMPLOYEES

	Euro	
	Provision for holiday and other remuneration	Total
Opening balance 2023	175,525	175,525
Transfers	192,794	192,794
Applications	(175,525)	(175,525)
Closing balance 2023	192,794	192,794

	Euro	
	Provision for holiday and other remuneration	Total
Opening balance 2022	139,561	139,561
Transfers	175,525	175,525
Applications	(139,561)	(139,561)
Closing balance 2022	175,525	175,525

16. TAX SITUATION

Set out below is an analysis of deferred tax:

	Euro	
	2023	2022
Deferred tax assets:		
- Tax losses carry forwards	56,168	254,699
- Temporary differences	46,691	43,085
Deferred tax liabilities:		
Deferred taxes	102,859	297,784

The movement in deferred taxes is as follows:

Deferred tax assets	Euro	
	2023	2022
Opening balance	297,783	339,717
Taken to the income statement	(194,924)	(41,933)
Closing balance	102,859	297,784

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The Company has the following balances with Public Administrations:

	Euro	
	2023	2022
Tax assets		
Withholding Tax from international transaction	-	-
	Euro	
	2023	2022
Tax liabilities		
Personal income tax	65,279	58,463
VAT	187,992	64,632
Social security	107,657	103,758
	360,928	226,853

Set out below is the reconciliation between net income and expense for the year and the income tax base:

2023			
	Additions	Decreases	Total
Profit/(loss) before income tax	776,097	-	776,097
Permanent differences	3,600	-	3,600
Temporary differences arising during the year	183,229	-	183,229
Temporary differences arising in previous year	-	(168,803)	(168,803)
Compensation of tax losses	-	(794,123)	(794,123)
Taxable base			-
2022			
	Additions	Decreases	Total
Profit/(loss) before income tax	161,736	-	161,736
Permanent differences	6,000	-	6,000
Temporary differences arising during the year	167,035	-	167,035
Temporary differences arising in previous year	-	(132,715)	(132,715)
Compensation of tax losses	-	-	(202,056)
Taxable base			-

Temporary differences are mainly due to the recognition of holidays accrued for the year ended March 31, 2023 and the amount reversed for the year ended March 31, 2022.

Income tax expense is analysed below:

	Euro	
	2023	2022
Current tax		-
Deferred tax	(194,924)	(41,934)
	(194,924)	(41,934)

Current income tax expense is calculated by applying a tax rate of 25% to the tax base,

All the Company's tax returns for the last four years for the principal taxes to which it is subject are open to inspection by the tax authorities,

Year	Tax los carryforwards	
	2023	2022
2016-2017		343,265
2017-2018	127,466	578,324
2020-2021	97,207	97,207
	224,673	1,018,796

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At the end of the 2023 financial year, the Company's Directors, through the analysis made by Management of the business plan used to prepare estimates of future taxable income, have estimated that the circumstances are fully met for the recognition of unused tax credits, temporary differences in tax and tax loss carryforwards and, accordingly, these assets have been recognised in the balance sheet.

The Company has not yet been audited by the tax authorities for the last four years for the main taxes applicable to it.

As a result, among other things, of the different interpretations to which Spanish tax legislation lends itself, additional tax liabilities may be raised in the event of a tax assessment. The Directors consider, however, that any additional assessments that might be made would not significantly affect these accounts.

Law 3/2016 took effect on 2 December 2016 and introduced significant changes to corporate income tax regulations, including new limits on the deduction of tax losses, establishing, inter alia, a limit of 60%/70% for those companies where total income is less than €20 million, it being possible, nonetheless, to use a minimum of €1 million in respect of tax losses. Company management does not expect that these measures will have an impact on the recovery of the tax credits recognised.

17. INCOME AND EXPENSES

a) Revenue

Revenues from the Company's continuing operations by category of activities and geographical market break down as follows:

	Euro	
	2023	2022
Segmentation by category of activity		
Provision of services	9,126,435	8,096,289
	9,126,435	8,096,289
Segmentation by geographical market		
EEUU	30,958	128,712
Spain	4,407,924	2,975,571
Europe	4,687,553	4,992,006
	9,126,435	8,096,289

b) Raw materials and consumables

The breakdown of expenses relating to raw materials and other consumables at March 31, 2023 and 2022 is as follows:

	Euro	
	2023	2022
Raw materials and consumables:		
Subcontracted work	2,903,298	2,326,900
	2,903,298	2,326,900

c) Staff costs

	Euro	
	2023	2022
Wages, salaries and similar	3,670,910	3,899,997
Staff welfare costs	1,021,540	1,027,655
	4,692,450	4,927,652

At March 31, 2023 the line "Wages, salaries and similar remuneration" includes termination benefit costs of 355 euros, this amount of 2023 is generated by termination of contract (233,816 euros at March 31, 2022).

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The average number of employees during the year by category is as follows:

Category	2023	2022
Chief Administrative Officer	2	2
Administrative staff	-	2
Project leader	2	2
Team leader	34	35
Analyst	21	14
Analyst – Programmer	10	18
Programmer – Graphic designer	7	5
Architects	1	1
Tester	1	1
Systems technician	-	1
TOTAL	78	81

The Company's employees are distributed as follows by gender at the year-end 2023 and 2022:

	2023			2022		
	Men	Women	Total	Men	Women	Total
Chief Administrative Officer	-	2	2	-	2	2
Administrative staff	-	-	-	1	1	2
Project leader	2	-	2	2	-	2
Team leader	23	11	34	25	10	35
Analyst	14	7	21	10	4	14
Analyst – Programmer	10	-	10	12	6	18
Programmer – Graphic designer	5	2	7	4	1	5
Architects	1	-	1	1	-	1
Tester	-	1	1	-	1	1
Systems technician	-	-	-	1	-	1
TOTAL	55	23	78	56	25	81

The Company has no employees with disabilities in 2023 and 2022.

d) Other operating expenses

The detail of Other operating expenses at March 31, 2023 and 2022 is as follows:

Other operating expenses	2023	2022
Rent and Royalties	220,066	200,526
Repairs and maintenance	41,036	40,292
Independent professional services	149,611	100,921
Insurance rates	8,734	8,955
Bank services	6,648	8,450
Advertising and public relations	646	282
Supplies	38,378	38,153
Other services	173,183	87,302
Other taxes	3,346	3,411
Allocation to the provision for impairment of trade receivables	1,129	-
	642,777	488,292

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)

18. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Senior Management remuneration and loans

The detail of the remuneration accruing to the members of the Company's Board of Directors and senior management in the year ended at March 31, 2023 and 2022 is the following:

	Euro	
	2023	2022
Wages and salaries	111,656	115,482
	111,656	115,482

At March 31, 2023 and 2022 the Company had no pension commitments with respect to the former or current member of the Board of Directors.

As part of their duty to avoid conflicts with the Company's interests, during the year the directors who have held positions on the Board of Directors have discharged the obligations set forth in Article 228 of the Spanish Companies Act. Additionally, these directors and parties related to them, have not come under the provisions of conflict of interests in Article 229 of this Law, except where the pertinent authorisation was obtained.

At March 31, 2023 and 2022 there were no advances or loans to senior management staff or to the members of the Board of Directors, nor had any guarantee obligations been assumed on their behalf.

At March 31, 2023 and 2022 there are no balances with shareholders and directors.

The members of the Board of Directors receive no remuneration for their positions as such.

19. OTHER RELATED-PARTY TRANSACTIONS

a) Sale of goods and provision of services

	Euro	
	2023	2022
Rendering of services:		
Coforge Ltd, UK.	434,637	411,421
Coforge, Advantage Go Ltd.	103,498	103,146
Coforge Inc.	30,958	173,614
	569,093	688,181

b) Goods purchased and services received

	Euro	
	2023	2022
Services received:		
Coforge Ltd	28,189	19,960
Coforge U.K. Ltd	242,193	173,451
Coforge, INC.	1,011,540	910,056
Coforge Ltd., SEZ unit.1	1,029,934	1,001,897
Coforge Ltd. (USA Branch)	65,883	3,417
Coforge Ltd. (DPA)	1,889	-
	2,379,628	2,108,781

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)

c) Year-end balances arising from sales and purchases of goods and services

	Euro	
	2023	2022
Accounts receivable from related parties		
Coforge Ltd. UK.	44,583	248,493
Coforge INC	-	5,230
Coforge Advantage Go Limited.	9,373	28,605
	53,956	282,328
	Euro	
	2023	2022
Accounts payable to related parties		
Coforge Ltd.	17,409	2,666
Coforge U.K. Ltd	107,964	17,781
Coforge Ltd. (USA Branch)	64,746	-
Coforge Ltd., SEZ unit 1	259,542	120,470
Coforge INC	186,720	141,721
Coforge DPA Pvt. Limited	1,889	-
	638,270	282,638

The sale of goods and provision of services is carried out based on the current prices applicable to unrelated third parties.

20. OTHER INFORMATION

Environment and greenhouse gas emission allowances

During the present year, the Company has incurred no environmental protection and improvement expenses,

In compliance with the changes brought in by the new Chart of Accounts, the Order de la Orden JUS/471/2017, it is reported stated that the Company records no environmental items or greenhouse gas emission allowances.

The Company's Directors consider that there are no significant contingencies relating to environmental protection and improvement and therefore that there is no need to raise a provision in this respect.

Audit Fees

The audit fees accrued during the year by Ernst & Young, SL, for audit services totalled €33,400 (2022: €30,960). No other services have been invoiced by this firm or others using the same trademark.

Guarantees or commitments with third parties

At March 31, 2023 the Company has a bank guarantee that supports the lease of the offices located at street Mendez Alvaro N° 9 in Madrid.

At March 31, 2023 the Company does not hold any pledged assets.

At March 31, 2023 the Company has no commitments to purchase or sell fixed assets.

COFORGE, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED March 31, 2023
(Expressed in euro)

21. EVENTS AFTER THE BALANCE SHEET DATE

There have been no other events subsequent to the balance sheet date that significantly affect the Company's results or its equity position.

22. PREVALENCE OF THE SPANISH VERSION

The Joint Directors resolve and expressly certify that the Spanish language version will prevail over the English version in the event of any type of discrepancy between the two versions.

COFORGE, S.A.

Management Report as of March 31, 2023

Year 2022 brought in a relative end of the pandemic and return to somewhat normalcy. We witnessed huge growth in Travel business with most of our Customers and nearly all reported return to close to pre-pandemic numbers. This brought cheer for us and our employees as we also witnessed growth in nearly all our accounts across various geographies. We have seen tremendous growth in our primary Airline Customer, Iberia in Spain and team sizes have swelled in the year as we received more opportunities from Iberia to place people. At the same time, we have on boarded a new sales leader in Spain to spearhead our growth in non-travel domains like banking & asset management. The year gone by has been significant for Coforge as we achieved more than \$1 Billion in revenues and a full year in advance. On achievement, of this milestone there have been celebrations across the locations including Madrid.

During the year 2022-2023, we have fully back to the normality and we have been working in different points:

- Online language/technical trainings and certifications to afford customer and market's expectations and to be competitive.
- Local strategy to hiring new sales on BFS and specific roles on TTH to push our business grow.
- Internal revision and adjustment of local salaries for our direct resources.
- Working in the equality plan under local regulation.

In terms of return to the physical office still has been following last year approach:

- We are still keeping this return voluntary and most of our employees are mainly working from home, which helps with the balance between personal and professional life, motivation of our employees...etc.
- The agreement with the employee representatives has been extended during FY23 in order to still partially compensate any potential extra costs that our employees may be facing due to working from home.

After the difficulties of previous years, our efforts have been worthwhile and have been reflected during this fiscal year.

We would like to list down some other aspects regarding the previous fiscal year FY23:

- There are no significant events subsequent to the end of the year beyond those indicated in this report.
- Regarding the use of coverage products, the company does not have them.
- Note 5 of the report comments on the financial risk factors of the company.
- The company has not made investments in R&D during the 2022-2023 financial year.
- During the year there were no acquisitions of own shares, although the company has in portfolio those listed in the attached Balance Sheet amounting to 4.52% of the Capital Stock.
- Regarding the average payment period to suppliers, it is fully detailed in note 14 of the report.

COFORGE, S.A.

PREPARATION OF THE ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR THE YEAR ENDED March 31, 2023

PREPARATION OF ANNUAL ACCOUNTS:

Pursuant to the provisions of the Spanish Companies Act, the Joint Administrators of COFORGE, SA., on June 12, 2023, draw up these ordinary annual accounts for the year ended March 31, 2023, issued on 31 pages of ordinary paper including this page, and that will be submitted to the Shareholders in General Meeting for approval.



Gautam Samanta
Foreigner ID Y8109229-H
Joint Administrator



Kishore Krishnan
Foreigner ID Y8979859-Y
Joint Administrator
