

Coforge Solutions Private Limited
CIN: U72900HR2022PTC104785
Balance Sheet as at 31 March 2023
(All amounts in Rs Mn, except for share data or as otherwise stated)

Particulars	Notes	As at 31 March 2023
ASSETS		
Non-current assets		
Property, plant and equipment	3	1
Goodwill	4	526
Other intangible assets	4	267
Deferred tax asset (net)	11	4
Current tax assets (net of provisions)	7	48
Total non-current assets		846
Current assets		
Financial assets		
Trade receivables	5(i)	177
Cash and cash equivalents	5(ii)	33
Other bank balances	5(iii)	3
Other current assets	6	75
Total current assets		288
TOTAL ASSETS		1,134
EQUITY AND LIABILITIES		
Equity		
Equity share capital	8	700
Other equity	9	2
Total equity		702
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	10(i)	100
Employee benefit obligations	12	8
Total non-current liabilities		108
Current liabilities		
Financial liabilities		
Trade payables	10(ii)	0
Total outstanding dues of micro enterprises and small enterprises*		0
Total outstanding dues of creditors other than micro enterprises and small enterprises		46
Other financial liabilities	10(iii)	250
Employee benefit obligations	12	2
Other current liabilities	13	25
Total current liabilities		324
Total Liabilities		432
TOTAL EQUITY AND LIABILITIES		1,134

* Nil due to rounding off to nearest Rs Million.

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date

For Ghosh Khanna & Co LLP
Chartered Accountants
Firm Registration No. 003366N/N500362

Amit Kumar Gupta
Partner
Membership No. 508656
UDIN:
Place : New Delhi
Date : 25 April 2023

For and behalf of Board of Directors of Coforge Solutions Private Limited

Ashudeep Kaur Chadha
Director
DIN: 01542865

Place :
Date : 25 April 2023

Saurabh Goel

Saurabh Goel
Director
DIN: 08589223

Place : Greater Noida
Date : 25 April 2023

Prakash Mathur
Prakash Mathur
Chief Financial Officer

Place : Greater Noida
Date : 25 April 2023

Coforge Solutions Private Limited

CIN: U72900HR2022PTC104785

Statement of Profit and Loss for the period ended 31 March 2023

(All amounts in Rs Mn, except for share data or as otherwise stated)

Particulars	Note	For the period 29 June 2022 to 31 March 2023
Revenue from operations	14	718
Other income	15	14
Total income		732
Expenditure		
Employee benefits expense	16	569
Depreciation and amortisation expense	17	27
Other expenses	18	131
Finance costs	19	4
Total expenses		731
Profit before tax		1
Income tax expense:	20	
Current tax		-
Deferred tax		(3)
Total tax expense		(3)
Profit for the year		4
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Remeasurement of post - employment benefit obligations (expenses) / income		(3)
Income tax relating to items that will not be reclassified to profit or loss*		1
		(2)
Other comprehensive income for the year, net of tax		(2)
Total comprehensive income for the year		2

Earnings per equity share (of Rs 10 each) for profit from operations attributable to owners of Coforge Solutions Private Limited :

Basic earnings per share	28	0.06
Diluted earnings per share	28	0.06

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and behalf of Board of Directors of Coforge Solutions Private Limited

For Ghosh Khanna & Co LLP

Chartered Accountants

Firm Registration No. 003366N/N500362

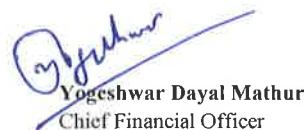
Amit Kumar Gupta
Partner
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UDIN:
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Saurabh Goel
Director
DIN: 08589223

Place : Greater Noida
Date : 25 April 2023



Yogeshwar Dayal Mathur
Chief Financial Officer

Place : Greater Noida
Date : 25 April 2023

Coforge Solutions Private Limited
CIN: U72900HR2022PTC104785
Statement of Cash Flows
(All amounts in Rs Mn, except for share data or as otherwise stated)

Particulars	For the period 29 June 2022 to 31 March 2023
Cash flow from operating activities	
Profit/(Loss) before tax	1
Adjustments for:	
Depreciation and amortisation expense	27
Interest and finance charges	4
	<u>31</u>
Changes in operating assets and liabilities	
(Increase)/decrease in trade receivables	(177)
(Increase)/decrease in other assets	(75)
(Increase) / Decrease in other bank balances	(3)
Increase/(Decrease) in trade payables	46
Increase/(Decrease) in other financial liabilities	3
Increase/(Decrease) in Employment benefit obligations	7
Increase/(Decrease) in other liabilities	25
Cash generated/ (used) from operations	<u>(174)</u>
Income taxes paid	(48)
Net cash inflow from operating activities	<u>(189)</u>
Cash flow from investing activities	
Purchase consideration paid for acquisitions made (refer note 32)	(574)
Net cash inflow/(outflow) from investing activities	<u>(574)</u>
Cash flow from financing activities	
Proceeds from issue of shares	700
Proceeds from borrowings	100
Interest paid	(4)
Net cash inflow/ (outflow) from financing activities	<u>796</u>
Net decrease in cash and cash equivalents	<u>33</u>
Cash and cash equivalents at the end of the financial year	<u>33</u>

Particulars	For the period 29 June 2022 to 31 March 2023
Reconciliation of cash and cash equivalents as per the cash flow statement	
Cash and cash equivalents as per above comprise of the following:	
Balances with banks	33
Total [Refer note no. 5(ii)]	<u>33</u>

The accompanying notes are an integral part of the financial statements

For Ghosh Khanna & Co LLP
Chartered Accountants
Firm Registration No. 003366N/N500362

For and behalf of Board of Directors of Coforge Solutions Private Limited

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Coforge Solutions Private Limited

CIN: U72900HR2022PTC104785

Statement of Changes in Equity

(All amounts in Rs Mn, except for share data or as otherwise stated)

a. Equity Share Capital

Particulars	Number	Amount
Issue of Shares	70,000,000	700
As at 31 March 2023	70,000,000	700

b. Other Equity

Description	Reserves and surplus	
	Retained earnings	
Profit for the period		4
Other comprehensive income		(2)
Total Comprehensive Income for the period		2
Balance at 31 March 2023		2

The accompanying notes are an integral part of the standalone financial statements


As per our report of even date

For Ghosh Khanna & Co LLP
Chartered Accountants
Firm Registration No. 003366N/N500362

For and behalf of Board of Directors of Coforge Solutions Private Limited

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Coforge Solutions Private Limited
Notes to financial statements for the period ended 31 March 2023
(All amounts in Rs Mn, except for share data or as otherwise stated)

1 Corporate Information

Coforge Solution Private Limited ("the Company") is a private Company limited by shares, incorporated and domiciled in India. The Company was incorporated on 29 June 2022 and has its principal place of business located at Gurgaon, Haryana. The Company is a subsidiary of Coforge DPA Private Limited and the ultimate parent company is Coforge Limited (formerly known as 'NIIT Technologies Limited') which is a public listed Company in India. The Company is mainly engaged in the business of providing software development IT enabled services, technical consultancy and manpower services. These financial statements were authorised for issue in accordance with a resolution of the directors on 24 April 2023.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;

2.2 Use of Estimates and judgements

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

Other areas involving critical estimates and judgements are:

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

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

Areas involving critical estimates and judgments are:

• **Estimated goodwill impairment**

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

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

• **Impairment of trade receivables**

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

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

• **Business combination:**

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

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

2.3 Summary of significant accounting policies

(a) Foreign currency translation

Transactions & Balances

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

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

(b) Revenue from operations

The Company derives revenues primarily from business of providing software development/IT enabled services, technical consultancy and manpower services. The Company's arrangements with customers such services are mainly time-and-material and classifies such revenue as Sale of services.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Method of revenue recognition

Revenue on time-and material contracts are recognized over time as the related services are performed.
Revenue from transaction based contracts is recognized at the amount determined by multiplying transaction rate to actual transactions taking place during a period.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

(c) Income Taxes

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

(d) Leases

The Company as a lessee

The Company applies the short-term lease recognition exemption to its short-term lease of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease is recognised as expense as and when incurred.

(e) Cash and cash equivalents

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

(f) Other financial assets

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

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Subsequent measurement

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

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

Debt instruments

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

Amortized cost: A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the entity. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through profit or loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL.

However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency, however no such designation has been made. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity instruments

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

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

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

(iii) Derecognition

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

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

The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Impairment of financial assets

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

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

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

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

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

Trade receivables or contract revenue receivables; and

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

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

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

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

(v) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

(ii) Subsequent measurement

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(h) Offsetting financial instruments

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

(i) Other Income

Interest income

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

(ii) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Such cost also includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

Depreciation methods, estimated useful lives and residual value

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

Asset	Useful life
Plant and Machinery:	
Computers and peripherals	3 years

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

(k) Intangible assets

(i) Goodwill

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

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

(ii) Non-Compete and Customer Relationships

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

(iii) Amortization methods and periods

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

Non - compete fees	3 years
Customer Relationships	5 years

(iv) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For other non financial assets, including property, plant and equipment, ROU assets and intangible assets having finite useful lives, the Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

(l) Borrowing Costs

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

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

(m) Provisions and contingent liabilities

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

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

(n) Employee benefit obligations

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plans:

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The Company's contributions to defined contribution plans are recognized in the Statement of Profit and Loss as and when the services are received from the employees.

Defined benefit plan:

Gratuity

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

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income.

(o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(p) Business combinations

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

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

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

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

(q) Fair value measurements

The Company measures financial instruments at fair value at each balance sheet date. The Company also measures assets and liabilities acquired in business combination at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, management regularly reviews significant unobservable inputs applied in the valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

(r) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(s) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions, unless otherwise stated.

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Notes to financial statements for the period ended 31 March 2023
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3. Property, plant and equipment

	Plant and Machinery - Computers and Peripherals
Cost	
Additions	1
As at 31 March 2023	1
Accumulated depreciation	
Depreciation charge during the period*	-
As at 31 March 2023	-
Net book value	
As at 31 March 2023	1

*Nil due to rounding off to nearest Rs. Millions.

4. Intangible assets

	Customer Relationships	Non Compete Fees	Goodwill
Cost			
Additions	239	55	526
As at 31 March 2023	239	55	526
Accumulated amortization and impairment			
Amortization charge for the period	19	8	-
As at 31 March 2023	19	8	-
Net book value			
As at 31 March 2023	220	47	526

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5 Financial Assets

		As on 31 March 2023	
		Current	Non- Current
5(i)	Trade Receivables		
	Trade receivables	162	-
	Receivables from related parties [Refer note 21]	15	-
	Less: Allowance for doubtful debt	-	-
	Total receivables	177	-
	Break-up of security details		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	177	-
	Total	177	-
	Allowance for doubtful debts	-	-
	Total trade receivables	177	-
	Trade receivables includes amounts yet to be billed to customers and dependent only on passage of time (unbilled)	60	-

Trade Receivables (Billed) ageing schedule

Particulars	Outstanding for following periods from due date of payment		As on 31 March 2023
	Not yet due	Less than 6 months	Total
(i) Undisputed Trade receivables – considered good	84	33	117

5(ii) Cash and cash equivalents

		31 March 2023
	Balances with Banks	
	- in Current Accounts	33
	Total Cash and cash equivalents	33

5(iii) Other bank balances

		31 March 2023
	Deposits with maturity more than 3 months but less than 12 months	3
	Total Bank Balances other than 5 (ii) above	3

6 Other assets

		31 March 2023	
		Current	Non- Current
	Prepayments	11	-
	Goods and Services Tax (GST) - input credit	63	-
	Other advances	1	-
	Total other current assets	75	-

7 Current tax assets (net of provisions)

		31 March 2023	
		Current	Non- Current
	Advance Income Tax	-	48
	Less: Provision for income tax	-	-
	Less: Tax expense for the period	-	-
	Total income tax assets	-	48

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Notes to financial statements for the period ended 31 March 2023

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8 Equity share capital and other equity**Authorized equity share capital**

	Equity shares	
	Number of shares	Amount
Increase during the period	70,000,000	700
As at 31 March 2023	70,000,000	700

Terms and rights attached to equity shares

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

Equity shares:**(i) Movements in equity share capital**

	Number of shares	Amount
Issue of Shares	70,000,000	700
As at 31 March 2023	70,000,000	700

Shares held by holding company

Out of the equity shares issued by the Company, shares held by its holding company are as below:

	31-Mar-23
Coforge DPA Private Limited 70,000,000 equity shares	700

Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	Equity Shares of Rs. 10 each fully paid	
	31 March 2023	
	No. of Shares held	% of Holding
Coforge DPA Private Limited	70,000,000	100.0%

9 Other equity

	31 March 2023
Retained earnings	2
Total other equity	2
(vi) Retained earnings	
Net profit for the period	4
Items of other comprehensive income recognized directly in retained earnings	
Add / (Less): Remeasurement gains on defined benefit plans	(2)
Balance as on 31 March 2023	2

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Notes to financial statements for the period ended 31 March 2023

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10 Financial liabilities

(i) Borrowings

Unsecured Loan

From related parties (Refer note (a) below)

Total borrowings

31-March-2023	
Current	Non- Current
-	100
-	100

(a) Unsecured loan from related party

The Company has availed unsecured loan from its parent company, Coforge DPA Private Limited, for a term of 5 years (unless otherwise agreed by the parties) and at an interest rate of 9.50% per annum.

(ii) Trade Payables

total outstanding dues of micro enterprises and small enterprises*

total outstanding dues of creditors other than micro enterprises and small enterprises

Trade payables to related parties (Refer note 21)

Total Trade Payables

31-March-2023	
Current	Non- Current
0	-
42	-
3	-
45	-

There are no overdue amount payable to micro enterprises and small enterprises as at March 31, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables aging schedule

Particulars	Outstanding for following periods from due date of payment		
	Not Due	Less than 1 year	31-Mar-23
			Total
(i) MSME	0	0	0
(ii) Others	39	3	42

(iii) Other Financial Liabilities

At amortised cost

0.000001% Non Convertible Compulsorily Redeemable Preference Shares (RPS)

Employee benefits payable

At fair value through profit or loss

Future acquisition liability (refer note 31)

Total Other financial Liabilities

31-March-2023	
Current	Non- Current
1	-
2	-
247	-
250	-

RPS:

(i) Movements in preference shares

Issue of Shares

As at 31 March 2023

Number of shares	Amount
100,000	1
100,000	1

(ii) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder

Ashudeep Kaur Chadha

Preference Shares of Rs. 10 each fully paid		
31 March 2023		
No. of Shares held	% of Holding	
100,000	100.0%	

(iii) Terms of RPS

In accordance with the Share Subscription and Shareholder's Agreement dated 19 October 2022, the Company has issued 0.000001% non convertible compulsorily redeemable preference shares (RPS) having face of Rs 10 per share. For redemption terms, refer note 31.

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11 Deferred tax asset (net)	31-Mar-23
Deferred tax assets	
The balance comprise temporary differences attributable to:	
Employee benefit obligations	3
Unabsorbed losses	2
Gross deferred tax assets (A)	5
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	(1)
Gross deferred tax liabilities (B)	(1)
Net deferred tax assets (A-B)	4

Movement in deferred tax assets

	Property, plant and equipment	Employee benefits	Others	Total
(charged)/credited:				
- to profit or loss	(1)	2	2	3
- to other comprehensive income	-	1	-	1
At 31 March 2023	(1)	3	2	4

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12 Employee benefit obligations

	31 March 2023		
	Current	Non Current	Total
Gratuity (i)	2	8	10
	2	8	10

(ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972, Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of completed service.

a) Balance sheet amounts - Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present Value of Obligation
Current Service Cost	10
Interest expense/ (income)	
Total amount recognized in profit or loss	10
<i>Remeasurements</i>	
Actuarial changes arising from changes in financial assumptions	-
Experience adjustments	2
Total amount recognized in other comprehensive income	2
Employer's Contributions	
Benefit payments	(2)
31 March 2023	10

(b) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31-March-2023
Discount rate	7.30%
Future Salary increase	10%
Rate of return on plan assets	na

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31 March 2023
Discount rate	
- 100 basis points	10
+ 100 basis points	9
Salary increase rate	
- 100 basis points	9
+ 100 basis points	10

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The expense recognized during the period towards defined contribution plan is as follows:

Amount recognized in the Statement of Profit and Loss

	31 March 2023
Provident fund paid to the EPF	25
Employees state insurance fund paid to the authorities	1

13 Other liabilities

Statutory dues including provident fund and tax deducted at source

Total other current liabilities

	31 March 2023	
	Current	Non Current
Statutory dues including provident fund and tax deducted at source	25	-
Total other current liabilities	25	-

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	For the period 29 June 2022 to 31 March 2023
14 Revenue from operations	
Sales of products	
Sale of services	718
Total revenue from operations	718
Timing of revenue recognition	
Services transferred over time	718
Total revenue from contracts with customers	718
Disclosures related to revenue from contract with customers	
Disaggregate revenue information	
The table below presents disaggregated revenues from contracts with customers by geography.	
Geography	For the period 29 June 2022 to 31 March 2023
Americas	70
India	629
Asia Pacific	18
Europe, Middle East and Africa	1
Grand Total	718
15 Other Income	For the period 29 June 2022 to 31 March 2023
Income on reduction of financial liability recorded at fair value	14
Total other income	14
16 Employee benefits expense	For the period 29 June 2022 to 31 March 2023
Salaries, wages and bonus	520
Contribution to provident and other funds	25
Gratuity	10
Staff welfare expenses #	14
Total employee benefit expense	569
# Includes expense pertaining to annual celebration amounting to Rs. 13 Mn.	
17 Depreciation and amortization expense	For the period 29 June 2022 to 31 March 2023
Depreciation of property, plant and equipment (Refer note 3)*	-
Amortisation of intangible assets (Refer note 4)	27
Total depreciation and amortization expense	27
*Nil due to rounding off to nearest Rs. Millions.	
18 Other expenses	For the period 29 June 2022 to 31 March 2023
Rental charges	8
Electricity and water charges	1
Telephone and communication charges*	-
Legal and professional fees	12
Travelling and conveyance	15
Recruitment	9
Insurance*	-
Repairs and maintenance	-
- Others*	1
Payment to auditors*	-
Business promotion*	-
Professional charges	82
Miscellaneous expenses	3
Total other expenses	131
*Nil due to rounding off to nearest Rs. Millions.	

18(a) Details of payments to auditors**Payments to auditors (excluding taxes)****As auditor:**

Audit Fee*#	0
Tax audit Fee*#	0

In other capacities:

Certification fees**	0
Re-imbursment of expenses	-
Total payments to auditors*	0

*Nil due to rounding off to nearest Rs. Millions.

The auditor fees in absolute terms is INR 450,000 (Audit fees: Rs. 350,000; tax audit fees : Rs 50,000 and certification fees: Rs. 50,000).

18(b) Corporate social responsibility expenditure

Since the Company is incorporated during the current year, CSR rules are not applicable to the Company for the period ended 31 March 2023.

For the period
29 June 2022 to
31 March 2023

19 Finance costs

Interest on loans from related parties	4
Bank and financial charges*	-
Total Finance costs	4

*Nil due to rounding off to nearest Rs. Millions.

20 Income tax expense**(a) Income tax expense***Current tax*

Current tax on operating profits of the period	-
Total current tax expense	-

Deferred tax

Increase in deferred tax assets (Employee benefits and provisions)	(3)
--	-----

(Decrease) in deferred tax liabilities Property, plant and equipments

Increase in deferred tax assets (Unabsorbed losses)	1
---	---

Total deferred tax expense/(benefit)	(4)
---	------------

Income tax expense

	(4)
--	------------

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Profit from continuing operations before income tax expense	1
---	---

Tax at the Indian tax rate of 25.17% (A)	-
--	---

Tax impact on permanent differences (B)	(3)
---	-----

Derived income tax expense (A) + (B)	(3)
---	------------

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21 Related party transactions

A List of related parties with whom the Company has transacted:

1) Key Managerial personnel

Ashudeep Kaur Chadha

2) List of other related parties

Particulars	Country	Nature of relationship
Coforge Limited	India	Ultimate Holding Company
Coforge DPA Private Limited	India	Holding Company
Coforge Smart Serve Private Limited	India	Fellow subsidiary
Coforge DPA NA Inc.	India	Fellow subsidiary
Coforge Inc.	India	Fellow subsidiary
Coforge UK Limited	India	Fellow subsidiary

B. Transaction with related parties

	31-Mar-23
Coforge Limited	
Rendering of Services	1
Coforge Inc.	
Rendering of Services	5
Coforge UK Limited	
Rendering of Services	1
Coforge DPA Private Limited	
Loan availed	100
Interest on above loan	4
Coforge Smart Serve Private Limited	
Recovery of expenses from the Company*	0
Coforge DPA NA Inc.	
Rendering of Services	65
Ashudeep Kaur Chadha	
Issuance of RPS	1

C. Key management personnel compensation

Particulars	Year ended 31 March 2023
Short term employee benefits	8
Remuneration paid*	8

*As gratuity is computed for all the employees in aggregate, the amount relating to the key managerial personnel can not be individually identified.

D. Details of balances with related parties:

Particulars	Nature	Receivables as at 31 March 2023	Payables as at 31 March 2023
Coforge Limited	Trade receivable (Unbilled)	1	-
Coforge DPA Private Limited	Borrowings	-	100
Coforge Smart Serve Private Limited*	Trade payable	-	0
Coforge DPA NA Inc.	Trade receivable (Billed)	8	-
Coforge Inc.	Trade receivable (Billed)	5	-
Coforge UK Limited	Trade receivable (Billed)	1	-
Ashudeep Kaur Chadha	Future acquisition liability	-	249
Ashudeep Kaur Chadha	RPS	-	1
		15	350

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

* Nil due to rounding off to nearest Rs. Millions.

E. Terms and Conditions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the period ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

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Notes to financial statements for the period ended 31 March 2023

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22 Fair value measurements

Financial instruments by category:

	31 March 2023		
	Amortized Cost	Carrying amount	Fair value
Financial liabilities			
Non-current borrowings	100	100	100
Employee benefit obligations	8	8	8
Total Financial liabilities	108	108	108

The carrying amounts of current portion of trade receivables, cash and cash equivalents, other bank balances, other assets, Trade and other payables, other financial liabilities, employee benefits obligations and other liabilities are considered to be the same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(i) Fair value hierarchy

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

(a) recognized and measured at fair value, and

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

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

An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial Liability				
<i>Financial liabilities at amortised costs</i>				
Borrowings	-	100	-	100
Employee benefit obligations	-	8	-	8
Total financial Liability	-	108	-	108

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

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

23 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The borrowing of the Company constitute mainly of the loan from the holding company. All other finances are made out of internal accruals. The Company's principal financial assets include trade and other receivables, and cash and short term deposits that it derives directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss and derivative financial instruments.

- Interest rate risk

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

The Company has issue availed loan from related party during the year with fixed interest rate for the next 2 years and accordingly there is no significant concentration of interest rate risk.

- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Unhedged foreign currency exposure

Non-derivative foreign currency exposure as of 31 March, 2023 in major currencies is as below:

Currencies	Net financial Assets	Net financial Liabilities
	31 March 2023	
USD/INR	13	-
AUD/INR	6	-
GBP/INR	1	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	31 March 2023
USD Sensitivity	
INR/USD - Increase by 1% [^]	0
INR/USD - Decrease by 1% [^]	(0)
AUD Sensitivity	
INR/EUR - Increase by 1% [^]	0
INR/EUR - Decrease by 1% [^]	(0)
GBP Sensitivity	
INR/GBP - Increase by 1% [^]	0
INR/GBP - Decrease by 1% [^]	(0)

* Nil due to rounding off to nearest Rs. Million.

[^]Holding all other variables constant

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Trade Receivables

The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. The Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue, and has provided it wherever. There are no impairment loss or gain recognised for the period ended March 31, 2023.

Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(c) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts based on the expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-8 Years	Total
Borrowings	-	-	-	100	100
Trade Payables	46	-	-	-	46
Other Financial Liabilities (excluding Borrowings)	250	-	-	-	250
	296	-	-	100	396

24 Capital Management

For the Company's capital management, capital includes issued equity share capital. The primary objectives of the Company's capital management are to maximise the shareholder value and safeguard their ability to continue as a going concern.

Coforge Solutions Private Limited

CIN: U72900HR2022PTC104785

Notes to financial statements for the period ended 31 March 2023

(All amounts in Rs Mn, except for share data or as otherwise stated)

25 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Company does not have any contingent liabilities as at 31 March 2023.

(b) Contingent assets

The Company does not have any contingent assets as at 31 March 2023.

26 Commitments

There are no Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities.

27 Leases

The Company does not have any Right of Use assets and its corresponding lease liability as the Company has only short term lease arrangements.

Rental expense recorded for short-term leases (including low-value lease assets) was Rs. 8 Mn for the year ended 31 March 2023

28 Earnings per Share

(a) Basic earnings per equity share of Rs 10 each

Attributable to the equity holders of the Company (Rs. Per share) 0.06

(b) Diluted earnings per equity share of Rs 10 each

Attributable to the equity holders of the Company (Rs. Per share) 0.06

(c) Reconciliations of earnings used in calculating earnings per share

Basic earnings per share

Profit attributable to the equity holders of the Company used in calculating basic earnings per share: 4

Diluted earnings per share

Profit attributable to the equity holders of the Company used in calculating diluted earnings per share 4

(d) Weighted average number of shares used as the denominator

Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share 68,127,341

29 Ratio analysis

Particulars	Computation	31 March 2023
Current Ratio	Total current asset/ Total current liabilities	0.89
Debt Equity Ratio	Total borrowings (current & non-current)/ Total equity	0.14
Debt service Coverage Ratio	Earnings before interest, tax, depreciation and amortisation/(interest expense on short term and long term borrowings+ principal repayment of long term	8.06
Return on equity ratio	Net Profit After Tax/ Average Shareholders Equity	0.3%
Trade receivable turnover ratio	Revenue from operations / Closing trade receivable	4.06
Trade payable turnover	Net Credit Purchases / Average Trade Payables	3.13
Net capital turnover ratio	Net Sales/ Working Capital	-20.20
Net profit ratio	Profit after tax / Revenue from operations	0.3%
Return on capital employed	Earning before interest and taxes/Capital Employed	0.7%
Return on investment	Finance Income/Investment	0.03

30 Other Statutory Information

The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

31 Business Transfer Agreement

During the year, the management has acquired the customer contracts, fixed assets and rebadged the employees from On Demand Group in the US, Singapore, Switzerland and India. Pursuant to the Master Framework Agreement dated 03 July 2022 and Business Transfer Agreement (BTA) dated 03 July 2022, the company has paid a consideration of Rs. 562 Mn in cash and 5 Mn through incentive. Further, based on the Share Subscription and Shareholder Agreement (SSSHA) dated 19 Oct 2022, the Company has issued non-convertible redeemable preference shares ("NCRPS", the "Subscription Shares") to the promoter of ODA Group, which will be bought back equally for an amount determined based on the actual achievement of revenue and EBITDA targets of ODA division for the year ended 31 March 2023 and 31 March 2024 respectively.

Details of purchase consideration, net assets acquired and goodwill determined on the valuation date of 02 Nov 2022 are as below:

Purchase consideration paid	Amount
Consideration paid	567
M2M Gain	6
Financial liability for future payment	247
Total purchase consideration	821

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value
Identified tangible assets	
Property, plant and equipment	1
Identified Intangible assets	
Customer contracts	239
Non-Compete	55
Net Identifiable assets acquired	295
Calculation of goodwill	
	Fair Value
Net identifiable assets acquired	295
Total purchase consideration	821
Goodwill	526

The goodwill is attributable to the workforce and the expected future profitability of the acquired business.

32 Segment Information

As per Ind AS 108 - Operating Segments, where the financial report contains both the consolidated financial statements of a parent as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements, accordingly no segment information is disclosed in these standalone financial statements of the Company.

33 Subsequent events

There were no significant reportable subsequent events that occurred after the balance sheet date but before financial statements were issued.

34 Since this is the first year of incorporation, there are no comparative figures presented in the financial statements.

For Ghosh Khanna & Co LLP
Chartered Accountants
Firm Registration No. 003366N/N500362

For and behalf of Board of Directors of Coforge Solutions Private Limited

Amit Kumar Gupta
Partner
Membership No. 508656
UDIN:
Place : New Delhi
Date : 25 April 2023

Ashudeep Kaur Chadha
Director
DIN: 01542865
Place :
Date : 25 April 2023



Saurabh Goel
Director
DIN: 08589223

Place : Greater Noida
Date : 25 April 2023



Yogeshwar Dayal Mathur
Chief Financial Officer

Place : Greater Noida
Date : 25 April 2023