

February 05, 2022

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Company symbol: COFORGE

BSE Limited

Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Security code no.: 532541

Ref: Proposed offering of American Depositary Receipts (“ADRs”) (and such offering, the “ADR Offer”) by Coforge Limited (“Company”)

Sub: IFRS Financials for nine months ended December 31, 2021 and amended Public F-1

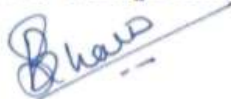
This is further to our intimation dated 15 November 2021 with respect to the approval of the ADR Offer by the Board of Directors of the Company (“**Board**”), and our intimation dated 16 November 2021, attaching, inter alia, the Form F – 1 registration statement (“**Form F – 1**”) publicly filed with the U. S. Securities and Exchange Commission (“**SEC**”).

We wish to inform you that today the Board has approved the consolidated financial statements of the Company for the period ended December 31, 2021, that have been prepared in accordance with the International Financial Reporting Standards (“**December IFRS Financial Statements**”) which are to be included in the Form F – 1 to be filed with the SEC in accordance with applicable law.

We request you to take the above on record and the same be treated as compliance under the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Thanking you,

Yours faithfully,
For **Coforge Limited** (Erstwhile NIIT Technologies Limited)



Barkha Sharma
Company Secretary



Encl: as above

Coforge Limited

(Erstwhile known as NIIT Technologies Limited)

Special Economic Zone, Plot No. TZ-2 & 2A, Sector - Tech Zone, Greater Noida (UP) - 201308, India.
Tel.: +91 120 4592 300, Fax: +91 120 4592 301 www.coforgetech.com
Registered Office: 8, Balaji Estate, Third Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019, India.
Tel.: +91 11 41029 297, Fax: +91 11 2641 4900
CIN: L72100DL1992PLC048753

Coforge Limited (formerly NIIT Technologies Limited)
Interim condensed consolidated statement of financial position

(All amounts in Mn unless otherwise stated)

Particulars	Notes	As at 31 December 2021 (In USD) Refer note 1(c)	As at 31 December 2021 (In INR)	As at 31 March 2021 (In INR)
ASSETS				
Non-current assets				
Property, plant and equipment	2 (a)	61	4,520	3,601
Right-of-use assets		14	1,036	917
Goodwill		142	10,570	4,407
Other intangible assets	2 (b)	57	4,211	1,514
Deferred tax assets (net of liabilities)		33	2,436	1,447
Trade receivables		25	1,883	1,584
Income tax assets (net of provisions)		7	521	358
Non current financial assets		5	408	245
Other non-current assets		12	894	254
Total non-current assets		356	26,479	14,327
Current assets				
Trade receivables		193	14,385	10,683
Contract assets		17	1,281	629
Cash and cash equivalents		37	2,785	7,999
Other current financial assets		11	749	547
Other current assets		25	1,824	1,079
Total current assets		283	21,024	20,937
TOTAL ASSETS		639	47,503	35,264
Equity				
Issued Capital		8	609	606
Reserves and surplus		346	25,765	24,314
Equity attributable to owners of Coforge Limited		354	26,374	24,920
Non-controlling interests		12	877	-
Total equity		366	27,251	24,920
LIABILITIES				
Non-Current Liabilities				
Borrowings		45	3,361	3
Trade payables		6	460	325
Lease liabilities		7	504	548
Deferred tax liabilities (net of assets)		10	735	166
Other financial liabilities		31	2,342	-
Employee benefit obligations		14	1,048	696
Other non-current liabilities		1	48	181
Total non- current liabilities		114	8,498	1,919
Current liabilities				
Borrowings		17	1,259	7
Trade payables		69	5,101	3,398
Lease liabilities		6	420	268
Other financial liabilities		34	2,498	2,435
Employee benefit obligations		4	322	222
Provisions		0	3	3
Other current liabilities		29	2,151	2,092
Total current liabilities		159	11,754	8,425
TOTAL LIABILITIES		273	20,252	10,344
TOTAL EQUITY AND LIABILITIES		639	47,503	35,264

Note: 0 represents amount is below the rounding off norm adopted by the Group

Coforge Limited (formerly NIIT Technologies Limited)
Interim condensed consolidated statement of profit and loss and other comprehensive income
(All amounts in Mn unless otherwise stated)

Particulars	Note	Period ended 31 December 2021 (In USD) Refer note 1(c)	Period ended 31 December 2021 (In INR)	Period ended 31 December 2020 (In INR)
Revenue from operations	5	630	46,891	34,013
Other income		4	286	161
Total income		634	47,177	34,174
Expenses				
Cost of hardware and third-party software		40	2,983	2,679
Sub-contracting / technical fees		64	4,755	2,674
Employee benefits expense		379	28,227	20,573
Depreciation and amortisation expense		23	1,688	1,387
Other expenses		41	3,032	2,570
Finance cost		6	467	111
Total expenses		553	41,152	29,994
Profit before income taxes		81	6,025	4,180
Income tax expense		15	1,126	894
Profit for the period		66	4,899	3,286
Other comprehensive income/(loss)				
<i>Items to be reclassified to profit or loss</i>				
Fair value changes on derivatives designated as cash flow hedge, net		1	98	323
Exchange differences on translation of foreign operations		(2)	-141	293
Income tax relating to items that will be reclassified to profit or loss		-	-28	-82
<i>Items not to be reclassified to profit or loss</i>				
Remeasurement of post - employment benefit obligations (expenses) / income		-	-23	13
Income tax relating to items that will not be reclassified to profit or loss		-	7	-5
Other comprehensive income/(loss) for the period, net of tax		(1)	-87	542
Total comprehensive income for the period		65	4,812	3,828
Profit is attributable to:				
Owners of Coforge Limited		61	4,540	3,226
Non-controlling interests		5	359	60
		66	4,899	3,286
Other comprehensive income/(loss) is attributable to:				
Owners of Coforge Limited		(1)	-87	542
Non-controlling interests		-	-	-
		(1)	-87	542
Total comprehensive income is attributable to:				
Owners of Coforge Limited		60	4,453	3,768
Non-controlling interests		5	359	60
		65	4,812	3,828
Earnings per equity share (of Rs 10 each) attributable to owners of Coforge Limited				
Basic earnings per share	10	1.01	74.89	52.76
Diluted earnings per share	10	0.98	73.17	51.87

Note: 0 represents amount is below the rounding off norm adopted by the Group

Description	Equity Shares		Reserves and Surplus								Share application pending allotment	Total Reserves and Surplus	Non-controlling interest	Total
	Equity Shares (Numbers)	Equity Share Capital	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee stock option	General Reserves	Retained Earnings	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve				
Balance at 1 April 2020	62,494,559	625	11	17	1,053	83	2,306	19,729	(197)	511	-	23,513	-	23,513
Profit for the period	-	-	-	-	-	-	-	3,226	-	-	-	3,226	60	3,286
Other Comprehensive Income	-	-	-	-	-	-	-	8	241	293	-	542	-	542
Total Comprehensive Income for the period	-	-	-	-	-	-	-	3,234	241	293	-	3,768	60	3,828
Shares issued on exercise of employee stock options	49,190	0	-	-	21	-	-	-	-	-	-	21	-	21
Transferred from employee stock option reserve on exercise of stock options	-	-	-	-	15	(15)	-	-	-	-	-	-	-	-
Shares based payments expense	-	-	-	-	-	356	-	-	-	-	-	356	-	356
Dividend paid	-	-	-	-	-	-	-	(687)	-	-	-	(687)	-	(687)
Change in fair value of NCI	-	-	-	-	-	-	-	(105)	-	-	-	(105)	-	(105)
Derecognition of NCI to Financial liability	-	-	-	-	-	-	-	60	-	-	-	60.00	(60)	-
Buy back of equity shares including transaction cost	(1,956,290)	(19)	-	19	(1,053)	-	(249)	(2,864)	-	-	-	(4,147)	-	(4,147)
Balance as at 31 December 2020	60,587,459	606	11	36	36	424	2,057	19,367	44	804	-	22,779	-	22,779

Description	Equity Shares		Reserves and Surplus								Share application pending allotment*	Total Reserves and Surplus	Non-controlling interest	Total
	Equity Shares (Numbers)	Equity Share Capital	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee stock option	General Reserves	Retained Earnings	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve				
Balance at 1 April 2021	60,592,349	606	11	36	39	523	2,057	20,689	77	882	-	24,314	-	24,314
Profit for the period	-	-	-	-	-	-	-	4,540	-	-	-	4,540	359	4,899
Other Comprehensive Income	-	-	-	-	-	-	-	(16)	70	(141)	-	(87)	-	(87)
Total Comprehensive Income for the period	-	-	-	-	-	-	-	4,524	70	(141)	-	4,453	359	4,812
Shares issued on exercise of employee stock options	288,573	3	-	-	19	-	-	-	-	-	-	19	-	19
Transferred from Employee Stock Option Reserve on exercise of stock options	-	-	-	-	288	(288)	-	-	-	-	-	-	-	-
Shares based payments expense	-	-	-	-	-	337	-	-	-	-	-	337	-	337
Tax benefit on share based payment	-	-	-	-	-	-	-	436	-	-	-	436	-	436
Dividend paid	-	-	-	-	-	-	-	(2,364)	-	-	-	(2,364)	-	(2,364)
Change in fair value of NCI	-	-	-	-	-	-	-	(1,437)	-	-	-	(1,437)	-	(1,437)
Dividend from subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(596)	(596)
Derecognition of NCI to financial liability	-	-	-	-	-	-	-	-	-	-	-	-	(909)	(909)
NCI arising on acquisition of subsidiary (Refer note 8)	-	-	-	-	-	-	-	-	-	-	-	-	2,023	2,023
Others	-	-	-	-	-	-	-	-	-	-	7	7	-	7
Balance as at 31 December 2021	60,880,922	609	11	36	346	572	2,057	21,848	147	741	7	25,765	877	26,642

Note: 0 represents amount is below the rounding off norm adopted by the Group.

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

* Pertains to exercised employee stock options.

Coforge Limited (formerly NIIT Technologies Limited)
Interim condensed consolidated statement of cash flows

(All amounts in Mn unless otherwise stated)

Particulars	Period ended 31 December 2021	Period ended 31 December 2021	Period ended 31 December 2020
	(In USD) Refer note 1(c)	(In INR)	(In INR)
Cash flow from operating activities			
Profit before tax	81	6,025	4,180
Adjustments for			
Depreciation and amortisation expense	23	1,688	1,387
Loss on disposal of property, plant and equipment (net)	-	-	3
Interest and finance charges	6	434	82
Employee share-based payment expense	4	343	378
Allowance for doubtful debts & contract assets (net)	0	1	390
Dividend and interest income	0	(26)	(34)
Realised and unrealised loss/ (gain) on investments	0	(2)	(6)
Unwinding of discount - Finance Income	(1)	(72)	(49)
	32	2,366	2,151
Changes in operating assets and liabilities			
(Increase)/Decrease in trade receivables	(54)	(4,041)	(976)
(Increase)/Decrease in other financial assets	9	649	(433)
(Increase)/Decrease in other assets	(15)	(1,072)	(75)
Increase/(Decrease) in provisions	3	203	111
Increase/(Decrease) in trade payables	17	1,263	250
Increase/(Decrease) in other liabilities	1	79	384
Cash used in operations	(39)	(2,919)	(739)
Income taxes paid	(25)	(1,857)	(1,348)
Net cash inflow from operating activities	49	3,615	4,244
Cash flow from investing activities			
Purchase of property, plant and equipment	(18)	(1,246)	(636)
Proceeds from sale of property, plant and equipment	1	40	13
Acquisition of a subsidiary/operations, net of cash acquired (Refer note 8)	(114)	(8,444)	(264)
Proceeds from sale of current investments	6	450	21
Interest received on bank deposits	0	12	70
Net cash outflow from investing activities	(125)	(9,188)	(796)
Cash flow from financing activities			
Payment for buy back of own equity shares (including taxes)	-	-	(4,166)
Proceeds from issue of shares (including securities premium)	0	19	21
Purchase of additional stake in subsidiaries	(10)	(729)	(1,411)
Proceeds from term loan	64	4,656	-
Repayment of term loan	(1)	(53)	(300)
Payment of principal portion of lease liabilities	(4)	(283)	(227)
Interest paid	(3)	(193)	(76)
Dividends paid	(40)	(2,958)	(686)
Net cash inflow/(outflow) from financing activities	6	459	(6,845)
Net increase (decrease) in cash and cash equivalents	(70)	(5,114)	(3,397)
Cash and cash equivalents at the beginning of the financial year	108	7,999	8,195
Effects of exchange rate changes on cash and cash equivalents	(1)	(100)	71
Cash and cash equivalents at the end of the period	37	2,785	4,869

Coforge Limited (formerly NIIT Technologies Limited)
Interim condensed consolidated statement of cash flows

(All amounts in Mn unless otherwise stated)

Particulars	Period ended 31 December 2021	Period ended 31 December 2021	Period ended 31 December 2020
	(In USD) Refer note 1(c)	(In INR)	(In INR)
Cash and Cash Equivalents comprise of:			
Cheques, drafts on hand	-	-	63
Balances with banks	37	2,785	4,757
Fixed deposit accounts (less than 3 months original maturity)	-	-	49
Total cash and cash equivalents as per statement of financial position	37	2,785	4,869

Note: 0 represents amount is below the rounding off norm adopted by the Group

Notes to the interim condensed consolidated financial statements as at and for the period ended 31 December 2021

1 (a) Background

Coforge Limited (formerly known as NIIT Technologies Limited) ("the Company") is a Company limited by shares, incorporated and domiciled in India. The Company delivers services around the world directly and through its network of subsidiaries and overseas branches (collectively known as "the Group"). The Group is rendering Information Technology/ Information Technology Enabled Services ("IT / ITES") across various geographies viz Americas, Europe, Middle East and Africa, India and Asia Pacific; and is engaged in Application Development & Maintenance, Managed Services, Cloud Computing and Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation & Logistics, Manufacturing & Distribution and Government. The Company is a public listed company and is listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

On June 14, 2020, the Shareholders of the Company have approved the proposed change in name of the Company from "NIIT Technologies Limited" to "Coforge Limited". The name of the Company has been changed from "NIIT Technologies Limited" to "Coforge Limited" w.e.f. August 3, 2020 vide certificate of incorporation pursuant to change of name issued by the Ministry of Corporate Affairs, Government of India.

1 (b) Basis of preparation of interim condensed consolidated financial statements

(i) Statement of compliance

These interim condensed consolidated financial statements for the nine months ended 31 December 2021 have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 March 2021.

(ii) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Below amendment apply for the first time in 1 April 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

-Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

1 (c) Convenience translation

The interim condensed consolidated financial statements are stated in million of INR. However, solely for the convenience of the readers, the interim condensed consolidated statement of financial position as at 31 December 2021, the interim condensed consolidated statement of profit and loss and other comprehensive income, and interim condensed consolidated statement of cash flows for the period ended 31 December 2021 were converted into U.S. dollars at the exchange rate of 74.39 INR per USD which is the noon buying rate in New York City for cable transfer in non-U.S. currencies as certified for customs purposes by the Federal Reserve Bank of New York on 31 December 2021. This arithmetic conversion should not be construed as representation that the amounts expressed in INR may be converted into USD at that or any other exchange rate. Such numbers are not in compliance as per the requirements of IFRS.

1 (d) Impact of COVID 19 pandemic

The Group has evaluated the impact of COVID-19 pandemic on various aspects of its business and operations, including (i) constraints, if any, on its ability to render services which may require reassessment of estimations of costs to complete contracts; (ii) financial condition of its customers and their ability to pay; (iii) penalties relating to breaches of service level agreements; (iv) termination or suspension of contracts by its customers; and (v) impairment of goodwill and intangible assets. In developing the assumption relating to the possible future uncertainties in the global conditions because of the pandemic, the Group, as on date of approval of these financial statements, used internal and external sources of information. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the interim condensed consolidated financial statements may differ from that estimated as at the date of approval of these interim condensed consolidated financial statements.

2 (a) Property, plant and equipment

Acquisitions and disposals

During the nine months ended 31 December 2021, the Group acquired assets for use in normal course of business with a cost of Rs. 753 Mn (31 December 2020: Rs. 364 Mn), excluding property, plant and equipment acquired through a business combination (see Note 8) and disposed assets with a net book value of Rs. 37 Mn during the period ended 31 December 2021 (31 December 2020: Rs. 15 Mn), resulting in a net gain/(loss) on disposal of Rs. Nil (31 December 2020: Rs. (3) Mn).

2 (b) Intangible assets

Acquisitions and disposals

During the nine months ended 31 December 2021, the Group acquired intangible assets for use in normal course of business with a cost of Rs. 346 Mn (31 December 2020: Rs. 273 Mn), excluding intangible assets acquired through a business combination (see Note 8) and assets with a net book value of Rs. 3 Mn were disposed by the Group during the period ended 31 December 2021 (31 December 2020: Nil), resulting in a net loss on disposal of Rs. 3 Mn (31 December 2020: Nil).

(All amounts in Rs Mn unless otherwise stated)

2 (c) Commitments

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

Particulars	31 December 2021	31 March 2021
Property, plant and equipment	262	24
Intangible assets	0	52

(All amounts in Rs Mn unless otherwise stated)

3 Contingent liabilities

Contingent liabilities

The Group had contingent liabilities in respect of:

	31 December 2021	31 March 2021
Claims against the Group not acknowledged as debts		
Income tax matters pending disposal by the Indian tax authorities	882	368
Additional compensation for land acquisition	254	-
Total	1,136	368

Claims against the Group not acknowledged as debts as on 31 December 2021 include demand from the Indian Income tax authorities on certain matters relating to availment of tax holiday and demand from the state authority for certain charges for land acquisition.

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

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(All amounts in Rs Mn unless otherwise stated)

4 Fair value measurements

The carrying value and fair value of financial instruments by categories as of 31 December 2021 and 31 March 2021 were as follows:

As at 31 December 2021	FVPL	FVTOCI	Amortized Cost	Carrying amount	Fair value
Financial assets					
Trade receivables	-	-	1,883	1,883	1,883
Derivative instruments	-	219	-	219	219
Other long-term financial assets	-	-	408	408	408
Total Financial assets	-	219	2,291	2,510	2,510
Financial liabilities					
Non-current borrowings	-	-	3,361	3,361	3,361
Non controlling interest *	-	-	-	2,342	2,342
Trade payable	-	-	460	460	460
Derivative instruments	-	4	-	4	4
Total Financial liabilities	-	4	3,821	6,167	6,167

As at 31 March 2021	FVPL	FVTOCI	Amortized Cost	Carrying amount	Fair value
Financial assets					
Trade receivables	-	-	1,584	1,584	1,584
Investments in Mutual funds	124	-	-	124	124
Derivative instruments	-	167	-	167	167
Other long-term financial assets	-	-	245	245	245
Total Financial assets	124	167	1,829	2,120	2,120
Financial liabilities					
Non-current borrowings	-	-	3	3	3
Non controlling interest *	-	-	-	708	708
Trade payable	-	-	325	325	325
Derivative instruments	-	61	-	61	61
Total Financial liabilities	-	61	328	1,097	1,097

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

* Fair value of NCI amounting to Rs. 2,342 Mn (31 March 2021 Rs. 708 Mn) has been measured through fair valuation by other equity. Also refer note 8.

(i) Fair value hierarchy

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

(a) recognized and measured at fair value and

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

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

An explanation of each level follows underneath the table.

Financial assets and liabilities for which fair value measurement is used or disclosed at 31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Derivatives designated as hedges</i>				
Derivative financial assets	-	219	-	219
<i>Financial assets at amortised costs</i>				
Trade receivables	-	1,883	-	1,883
Other long-term financial assets	-	408	-	408
Total financial assets	-	2,510	-	2,510
Financial Liabilities				
<i>Derivatives designated as hedges</i>				
Derivative financial liability	-	4	-	4
<i>Other financial liabilities</i>				
Non controlling interest	-	-	2,342	2,342
<i>Financial liabilities at amortised costs</i>				
Borrowings	-	3,361	-	3,361
Trade payable	-	460	-	460
Total financial Liabilities	-	3,825	2,342	6,167

Financial assets and liabilities for which fair value measurement is used or disclosed at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial Investments at FVPL</i>				
Mutual funds	124	-	-	124
<i>Derivatives designated as hedges</i>				
Derivative financial Assets	-	167	-	167
<i>Financial assets at amortised costs</i>				
Trade receivables	-	1,584	-	1,584
Other long-term financial assets	-	245	-	245
Total financial assets	124	1,996	-	2,120
Financial Liability				
<i>Derivatives designated as hedges</i>				
Derivative financial liability	-	61	-	61
<i>Other financial liabilities</i>				
Non controlling interest	-	-	708	708
<i>Financial liabilities at amortised costs</i>				
Borrowings	-	3	-	3
Trade payable	-	325	-	325
Total financial Liability	-	389	708	1,097

(All amounts in Rs Mn unless otherwise stated)

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.

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

Key assumptions to measure non controlling interest (NCI)

- (i) Revenue inputs - Based on past performance and management's expectations of market development.
- (ii) Budgeted operating margin - Based on past performance and management's expectations for the future.
- (iii) Pre-tax discount rates - Reflect specific risks relating to the relevant geography in which they operate.

Quantitative details of input used in valuation of fair value of NCI

	31 December 2021	31 March 2021
Revenue (% annual growth rate)	10%	10%
Budgeted operating margin (%)	25%	25%
Pre-tax discount rate (%)	19.5%	19.5%

If the revenue/ budgeted operating margin unobservable inputs used in the valuation of Level 3 financial liability for future acquisition had been 1% change than management's estimates, then it would not have significant impact in its value and other equity.

(iii) NCI Put Option liability

Liability for call and put options issued to non-controlling interests which do not grant present access to ownership interest to us is recognized at the present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to the put option is derecognized and the difference between the amount derecognized and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction. Considering the call and put option granted, the carrying amount of financial liability recognised at 31 December 2021 is Rs. 2,342 Mn (31 March 2021: Rs. 708 Mn).

(All amounts in Rs Mn unless otherwise stated)

	Period ended 31 December 2021	Period ended 31 December 2020
5 Revenue from operations		
Sale of products	2,020	1,840
Sale of services	44,871	32,173
Total revenue from operations	46,891	34,013
Revenue from operations include gain/ (loss) on account of hedge amounting to Rs. 170 Mn and Rs (66) Mn for period ended 31 December 2021 and 31 December 2020 respectively.		
Timing of revenue recognition		
Goods transferred at a point in time	2,020	1,840
Services transferred over time	44,871	32,173
Total revenue from operations	46,891	34,013

5 (a)

(i) Disaggregate revenue information

Refer note 7 for geographical revenue disaggregation. In addition the group maintain revenue by verticals:

The table below presents disaggregated revenues from operations by verticals:

Vertical	Period ended 31 December 2021	Period ended 31 December 2020
Banking and financial services	11,552	6,015
Insurance	13,708	11,201
Travel, transportation and hospitality	8,727	6,600
All Others	12,904	10,197
Total Revenue	46,891	34,013

(ii)

Revenue by Service line	Period ended 31 December 2021	Period ended 31 December 2020
Product Engineering	5,820	5,553
Intelligent Automation	6,677	5,082
Data and Integration	9,575	6,512
Cloud and Infrastructure Management	8,259	6,766
Business Process Management	4,933	647
Application Development and Maintenance	11,627	9,453
Total Revenue	46,891	34,013

(iii)

Revenue by Project type	Period ended 31 December 2021	Period ended 31 December 2020
Time-and-material	21,661	15,781
Fixed-price*	25,230	18,232
Total Revenue	46,891	34,013

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

(All amounts in Rs Mn unless otherwise stated)

6 Related party transactions

Coforge Limited's principal related parties consist of significant shareholder, Hulst B.V., Netherlands, its own subsidiaries and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

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

A Details of transaction with related parties:

Nature of Transactions	Significant shareholder	Parties in which Key Managerial Personnel of the Group are interested	Total
Rendering of Services	-	1	1
	-	(15)	(15)
Dividend Paid	1,270	-	1,270
	(482)	-	(482)

Figures in parenthesis represent previous period's figures

B Transactions with Key Managerial Personnel (KMP)

The table below describes the related party transactions with key management personnel which comprises directors and executive officers under IAS 24:

Particulars	Period ended 31 December 2021	Period ended 31 December 2020
Short term employee benefits**	254	170
Commission & sitting fees	24	17
Post employment benefits*	4	5
Remuneration paid	282	192
Share based payment transactions	234	265
Total of compensation	516	457

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

** At each reporting period, the Group accrues employee bonuses for all the employees in aggregate, which are individually identified in the subsequent financial year. Accordingly, the above includes bonus pertaining to March 2021 paid during the period.

C Outstanding balances with related parties:

Particulars	Receivables as at 31 December 2021	Receivables as at 31 March 2021
Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested	-	2

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

(All amounts in Rs Mn unless otherwise stated)

7 Segment Reporting

(a) Description of segments and principal activities

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

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

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

No operating segments have been aggregated to form the above reportable operating segments.

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

- (b) The following tables present revenue and Adjusted earnings before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA) information for the Group's operating segments for the period ended 31 December 2021 and 31 December 2020, respectively:

Particulars	Period ended 31 December 2021	Period ended 31 December 2020
Revenue from operations		
Americas	24,586	16,387
Europe, Middle East and Africa	15,833	12,190
Asia Pacific	4,079	2,861
India	2,393	2,575
Total	46,891	34,013
Adjusted earnings before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA)*		
Americas	4,459	2,926
Europe, Middle East and Africa	3,098	2,519
Asia Pacific	455	279
India	(151)	20
Total	7,861	5,744
Depreciation and amortization	1,688	1,387
Event based impairments	-	180
Other income (net)	(148)	3
Profit before tax	6,025	4,180
Provision for tax	1,126	894
Profit after tax	4,899	3,286

*EBITDA and adjusted EBITDA are non-GAAP measures.

Product/ service-wise revenue

Information regarding revenues from external customers for each product and service is disclosed in note 5(a).

Information about major customers

No client individually accounted for more than 10% of the revenue from operations for the period ended 31 December 2021 and 31 December 2020.

8 Business combinations*(All amounts in Rs Mn unless otherwise stated)***(a) Summary of acquisition**

During the period, the Group made a strategic investment in M/s SLK Global Solutions Private Limited, currently known as Coforge Business Process Solutions Private Limited (the "Investee Company", "SLK Global") and its subsidiaries on April 12, 2021, and entered into the Share Purchase Agreement and Shareholders Agreement to acquire 80% equity shares over a period of two years from the existing shareholders of the Investee Company. The purpose of this acquisition is to further strengthen the financial services vertical and scales the BPM operations.

Out of this, 35% stake of the Investee Company was purchased on April 12, 2021 and additional stake of 25% was purchased on April 28, 2021, aggregating to 60% of the total share capital of the Investee Company and accordingly obtained control. Both these transactions are linked transactions and the Group has determined April 28, 2021 as the date of acquisition of control.

As per the terms of the agreement, the Group will acquire the remaining stake of 20% after two years from the date of acquisition with consideration payable as multiple of earnings and accordingly it has recorded put liability for future acquisition of 20% stake. The Group is in process of concluding the fair valuation assessment and has recorded certain acquired employee related liabilities basis provisional fair valuation.

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

Purchase consideration	Amount
Cash paid for acquisition of 60% stake along with profit during step up acquisition period	9,201
Total purchase consideration	9,201

The Group funded the above transaction partially through redeemable Non-Convertible Bonds amounting to Rs. 3,400 Mn and balance through internal accruals. These bonds having face value of Rs. 1,000,000 each are non-convertible and unsecured with maturity upto five years from the date of allotment i.e. April 26, 2021 bearing effective interest rate for first three years at 8.39%- 9.34%.

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

	Fair value
Identified tangible assets and liabilities	
Property, plant and equipment	761
Right of Use Asset	325
Other Assets	157
Trade receivables	590
Investments	324
Other net current assets	153
Cash and bank balances	739
Acquired liabilities	(173)
Lease Liability	(358)
Deferred tax assets	92
Identified intangible assets	
Customer Contract and related Relationships	3,080
Non-compete fees	48
Deferred tax liabilities	(680)
Net identifiable assets acquired	5,058

Calculation of goodwill	Fair value
Net identified Tangible and Intangible Assets acquired	5,058
Non Controlling Interest determined on the basis of proportionate share of net assets acquired	2,023
Total purchase consideration	9,201
Goodwill	6,166

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

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

The acquisition related cost recognised in Interim condensed consolidated statement of profit and loss and other comprehensive income is Rs. 223 Mn under the head employee benefit expense and other expenses.

(i) Acquired receivables

The Group has acquired receivables having gross contractual amount and net carrying amount of Rs. 590 Mn. No adjustments have been made to acquired trade receivables, i.e., their fair value is the same as the carrying amount. It is expected that the full contractual amounts of receivables can be collected.

(ii) Revenue and profit contribution

The acquired business contributed revenues and profits to the group for the period 31 December 2021 as follows:

(a) Revenue of Rs. 4,384 Mn and profit after tax of Rs. 109 Mn (net of amortisation of Rs. 218 Mn on intangible assets arising out of acquisition) for the period 28 April 2021 to 31 December 2021.

(b) If the acquisitions had occurred on 1 April 2021, consolidated pro-forma revenue and profit after tax for the period ended 31 December 2021 would have been increased/(decreased) by Rs. 543 Mn and Rs. 74 Mn respectively.

(b) Purchase consideration - cash outflow

	Amount
<i>Outflow of cash to acquire subsidiary, net of cash acquired</i>	
Cash consideration	9,183
Less: balances acquired	
Cash and Bank	739
Net outflow of cash – investing activities	8,444

(c) Deferred tax liability

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

(d) Fair value of NCI

The movement of NCI of SLK Global is as follows:

Particular	Amount
Proportionate share of net assets acquired	2,023
Add : Non-controlling share in the results for the period	328
Less: Dividend paid	(596)
Proportionate share of net assets as at December 31, 2021	1,755

Of the above, NCI subject to put option amounting to Rs 877 Mn (20%) has been derecognised and recorded at fair value of Rs 2,342 Mn as financial liability. The difference of Rs 1,465 Mn is accounted for as equity transaction.

(e) Post acquisition, SLK Global has paid dividend amounting to Rs 1,489 Mn.

(f) The current period figures of the Group includes figures of SLK Global and hence the previous period numbers are not comparable.

(All amounts in Rs Mn unless otherwise stated)

9 Employees' Stock Option Plans (ESOP)

(a) Employee stock option plan

During the period ended 31 December 2021, pursuant to Employees Stock Option Plan 2005, 288,573 options were exercised and 80,992 options were lapsed from various Grants and 1,478,929 options were outstanding as on December 31, 2021 issued on various dates.

The Nomination and Remuneration Committee made following grants during the period:

Vesting Term	No. of options	Grant Price
Upto 5 years - Based on performance	216,000	10
Bullet vesting in FY 24	58,000	10

The Fair Value of Options granted during the nine months ended 31 December 2021 was estimated on the date of grant using the following assumptions:

Dividend Yield (%)	0.5%	Risk Free interest rate	3.84% to 6.73%
Weighted average share prices (INR)	INR 3,020.86 to INR 3,359	Expected life of share options (years)	1.19 to 9.48
Expected Volatility (%)	43.62%		

The weighted average fair value of options granted during the period was Rs. 3,346 Mn (31 December 2020: Rs. 1,681 Mn) which also takes into consideration the price of equity shares that are listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange.

For the period ended 31 December 2021, the Group has recognised Rs 370 Mn of share-based payment expense in the statement of profit or loss (31 December 2020: Rs 391 Mn) including Rs. 135 Mn pertaining to grant issued during the period ended 31 December 2021.

10 Earnings per share

	Period ended 31 December 2021 In USD	Period ended 31 December 2021 In INR	Period ended 31 December 2020 In INR
	Refer note 1(c)		
(a) Basic earnings per equity share of Rs 10 each Attributable to the equity holders of the Company (Rs. Per share)	1.01	74.89	52.76
(b) Diluted earnings per equity share of Rs 10 each Attributable to the equity holders of the Company (Rs. Per share)	0.98	73.17	51.87
(c) Reconciliations of earnings used in calculating earnings per share <i>Basic earnings per share</i> Profit attributable to the equity holders of the Company used in calculating basic earnings per share	61	4,540	3,226
<i>Diluted earnings per share</i> Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	61	4,540	3,226
(d) Weighted average number of shares used as the denominator Weighted average number of equity shares used as the denominator in calculating basic earnings per share (numbers)	60,624,640	60,624,640	61,145,152
Adjustments for calculation of diluted earnings per share: Dilutive impact of stock options outstanding (numbers)	1,420,763	1,420,763	1,052,160
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (numbers)	62,045,403	62,045,403	62,197,312

(e) Information concerning the classification of securities Stock Options outstanding

Options granted to employees under the Employee stock option plan 2005 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

- 11 During the period, the Group re-evaluated its tax position pertaining to deduction available under the Indian Income Tax Act, 1961 and has consequently recorded tax credit amounting to Rs 142 mn (including Rs. 90 mn pertaining to previous year) under current tax expense with respect to dividend income received in FY 2020-21 and FY 2021-22.
- 12 During the period, the group acquired balance 18.6% stake in Coforge SF Private Limited (erstwhile Whishworks IT Consulting Private Limited) making it wholly owned subsidiary w.e.f. 5 October 2021 for a consideration of Rs. 729 million.
- 13 During the period, the Group has taken Cash Credit/ working capital loan payable on demand. Interest on such borrowing is in the range of 2.7% to 10.5%. Such loans are secured by way of first charge of hypothecation on the Company's movable assets including receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating bank along with second pari passu charge on Company's movable fixed assets except vehicles which are charged to other lenders.
- 14 During the period the Company has paid interim dividend of Rs 2,364 Mn (Previous period Rs. 687 Mn).
- 15 **Subsequent events**
The Board of Directors at its meeting held on January 27, 2022 has declared an interim dividend of Rs. 13 per equity share.
- 16 These interim condensed financial statements were authorised for issue in accordance with a resolution of the directors on February 5, 2022.