

Coforge FZ-LLC

Dubai Development Authority

Dubai - United Arab Emirates

**Independent Auditors' Report and Financials
statements**

For the quarter ended March 31,2022

Coforge FZ-LLC
Dubai Development Authority
Dubai - United Arab Emirates

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Coforge FZ-LLC
Dubai Development Authority
Dubai - United Arab Emirates

General information

Principal office address : Premises 206, Floor 02,
Building 04, Dubai Outsource City,
P. O. Box: 500822
Dubai Development Authority
Dubai, United Arab Emirates

The Shareholder : **Name** **Incorporated in**
Coforge Limited (formerly known as NIIT Technologies
Limited) India

The Auditor : Calx International Auditing of Accounts
Dubai - United Arab Emirates

Bank : Emirates NBD

Coforge FZ-LLC
Dubai Development Authority Dubai - United Arab Emirates

Director's report

The Director has pleasure in presenting his report and the audited financial statements for the quarter ended March 31, 2022.

Principal activities of the Entity

The Entity is licensed by Dubai Development Authority to serve in the software industry as consultant, developer, to provide customer service, support and solutions to customers.

Financial review

The table below summarizes the results of three months quarter ended March 31, 2022, twelve months period ended March 31, 2022, three months quarter ended March 31, 2021 and twelve months period ended March 31, 2021.

	For the three months quarter ended March 31, 2022	For the twelve months period ended March 31, 2022	For the three months quarter ended March 31, 2021	For the twelve months period ended March 31, 2021
Revenue	<u>52,613,214</u>	<u>121,109,603</u>	<u>20,650,672</u>	<u>78,846,352</u>
Gross profit/(loss)	<u>(787,220)</u>	<u>5,904,893</u>	<u>863,599</u>	<u>4,241,655</u>
Net profit/(loss)	<u>(6,945,468)</u>	<u>(2,142,284)</u>	<u>443,988</u>	<u>2,519,727</u>
Gross profit margin	<u>-</u>	<u>4.88%</u>	<u>4.18%</u>	<u>5.38%</u>

Role of the Director

The Director is the Entity's principal decision-making forum. The Director has the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Director set the strategies and policies of the Entity. He monitor performance of the Entity's business, guide and supervise its management.

Auditor

"Calx International Auditing of Accounts., Auditors is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting."

Statement of Directors' responsibilities

The applicable requirements, requires the Director to prepare the financial statements for each financial period which presents fairly in all material respects, the financial position of the entity and its financial performance for the period then ended.

The audited financial statements for the period under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Director confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables him to ensure that the financial statements comply with the requirements of applicable statute. The Director also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Entity's financial conditions and results of its operations.

Acknowledgment

The Director wishes to place on record, his sincere gratitude for the continuous support extended by various government departments, banks, suppliers, employees and all well wishers.

These financial statement were approved by the Board and signed on behalf by the authorized representative of the Entity.

 Authorized Signatory
 April 13, 2022



Independent auditor's report

To,
The Shareholder
Coforge FZ-LLC
P. O. Box: 500822
Dubai Development Authority
Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Coforge FZ-LLC.**, Dubai - United Arab Emirates ("Entity") which comprise the statement of financial position as at **March 31, 2022**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the quarter then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its financial performance and its cash flows for the quarter then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charge with governance are responsible for overseeing the Entity's financial reporting process.

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Law No. 15 of 2014 concerning the Dubai Creative Clusters, we further confirm that,

- 1 We have obtained all the information and explanations which we consider necessary for our audit.
- 2 The financial statements have been prepared and comply in all material respects with the applicable provisions of the Law No. 15 of 2014 concerning the Dubai Creative Clusters, and the Memorandum and Articles of Association of the Entity.
- 3 Proper books of accounts have been maintained by the Entity.
- 4 The contents of the Director's report which relates to the financial statements are in agreement with the Entity's books of account.

Independent auditor's report (continued)

Report on other legal and regulatory requirements (continued)

- 5 Note 5 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.
- 6 Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial period ended, any of the applicable provisions of the Law No. 15 of 2014 concerning the Dubai Creative Clusters or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as of March 31, 2022.

For Calx International Auditing of Accounts

N. I. Patel

Nirav Patel
Partner- Audit
Regn. No. 939
Dubai - United Arab Emirates
April 13, 2022



Coforge FZ-LLC
Dubai Development Authority Dubai - United Arab Emirates

Statement of financial position as at March 31, 2022
In Arab Emirates Dirham

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
<i>Non-current asset</i>			
Property, plant and equipment	4	4,936	11,845
Total non-current assets		<u>4,936</u>	<u>11,845</u>
<i>Current assets</i>			
Due from related parties	5	3,583,529	2,827,106
Accounts receivable	6	51,750,366	20,617,860
Advances, deposits and other receivables	7	9,541,546	11,389,849
Bank balance	8	2,095,007	5,318,252
Total current assets		<u>66,970,448</u>	<u>40,153,067</u>
Total assets		<u>66,975,384</u>	<u>40,164,912</u>
Equity and liabilities			
<i>Equity</i>			
Share capital	9	5,000,000	5,000,000
Retained earnings	10	6,114,454	8,256,738
Total equity		<u>11,114,454</u>	<u>13,256,738</u>
<i>Non-current liabilities</i>			
Term loans	11	1,870,000	6,243,250
Employees' end of service benefits	12	2,900,660	2,772,056
Total non-current liabilities		<u>4,770,660</u>	<u>9,015,306</u>
<i>Current liabilities</i>			
Due to related parties	5	15,916,039	7,960,413
Accounts and other payable	13	35,174,231	9,932,455
Total current liabilities		<u>51,090,270</u>	<u>17,892,868</u>
Total liabilities		<u>55,860,930</u>	<u>26,908,174</u>
Total equity and liabilities		<u>66,975,384</u>	<u>40,164,912</u>

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 10-28 were approved on April 13, 2022 and signed on behalf of the Entity, by:

Authorized Signatory



Coforge FZ-LLC
Dubai Development Authority Dubai - United Arab Emirates

Statement of profit or loss for the three months quarter from January 01, 2022 to March 31, 2022
In Arab Emirates Dirham

	Notes	For the period from January 2022 to March 2022	For the period from April 2021 to March 2022	For the period from January 2021 to March 2021	For the period from April 2020 to March 2021
Revenue	14	52,613,214	121,109,603	20,650,672	78,846,352
Direct costs	15	(53,400,434)	(115,204,710)	(19,787,074)	(74,604,697)
Gross profit		(787,220)	5,904,893	863,599	4,241,655
Administrative expenses	16	(6,099,184)	(7,756,504)	(358,033)	(1,472,198)
Finance costs	17	(59,064)	(290,673)	(61,577)	(249,730)
Net profit/(loss) for the period		(6,945,468)	(2,142,284)	443,988	2,519,727
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		(6,945,468)	(2,142,284)	443,988	2,519,727

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 10-28 were approved on April 13, 2022 and signed on behalf of the Entity, by:

Authorized Signatory



Coforge FZ-LLC
Dubai Development Authority Dubai - United Arab Emirates

Statement of changes in equity for the year ended March 31, 2022
In Arab Emirates Dirham

	Share capital	Retained earnings	Total equity
Balance as at April 1, 2020	5,000,000	5,737,011	10,737,011
Profit for the period	-	2,519,727	2,519,727
Balance as at March 31, 2021	5,000,000	8,256,738	13,256,738
Loss for the period	-	(2,142,284)	(2,142,284)
Balance as at March 31, 2022	5,000,000	6,114,454	11,114,454

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

Coforge FZ-LLC
Dubai Development Authority Dubai - United Arab Emirates

Statement of cash flows for the year ended March 31, 2022
in Arab Emirates Dirham

	For the twelve months period ended March 31, 2022	For the twelve months period ended March 31, 2021
Cash flows from operating activities		
Net profit/(loss) for the period	(2,142,284)	2,519,727
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	6,909	7,395
Provision for employees' end of service benefits	854,232	1,048,607
	<u>(1,281,143)</u>	<u>3,575,729</u>
<i>(Increase) / decrease in current assets</i>		
Accounts receivable	(31,132,506)	(5,775,040)
Advances, deposits and other receivables	1,848,303	(2,963,368)
Due from related parties	(756,423)	1,405,868
<i>Increase / (decrease) in current liabilities</i>		
Accounts and other payable	25,241,776	7,131,223
Due to related parties	7,955,626	458,104
Cash generated from operations	<u>1,875,633</u>	<u>3,832,516</u>
Employees' end-of-services benefits paid	(725,628)	(2,028,179)
Net cash from / (used in) operating activities	<u>1,150,005</u>	<u>1,804,337</u>
Cash flows from financing activities		
Net proceeds/ repayment from term loans	(4,373,250)	-
Net cash from / (used in) financing activities	<u>(4,373,250)</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents	<u>(3,223,245)</u>	<u>1,804,337</u>
Cash and cash equivalents, beginning of the period	5,318,252	3,513,915
Cash and cash equivalents, end of the period	<u>2,095,007</u>	<u>5,318,252</u>
Cash and cash equivalents		
Cash at bank	2,095,007	5,318,252
	<u>2,095,007</u>	<u>5,318,252</u>

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

Coforge FZ-LLC
Dubai Development Authority Dubai - United Arab Emirates

Notes to the financial statements for the quarter ended March 31, 2022

1 Legal status and business activities

- 1.1 Coforge FZ-LLC (formerly known as NIIT Technologies L.L.C., Dubai - United Arab Emirates) (the "Entity") was registered on April 14, 2008 as a Free Zone Limited Liability Company and operates in the United Arab Emirates under a commercial license issued by the Dubai Development Authority.
- 1.2 The Entity is licensed by Dubai Development Authority to serve in the software industry as consultant, developer, to provide customer service, support and solutions to customers.
- 1.3 The registered office of the Company is located at Premises 206, Floor 02, Building 04, Dubai Outsource City, Dubai, United Arab Emirates.
- 1.4 The management and control are vested with Mr. Pankaj Malik, Director, United Kingdom national vide notarised resolution effective from February 22, 2019.
- 1.5 These financial statements combine the operating results of the below entities:

<u>Company name</u>	<u>License No.</u>	<u>Issued by</u>
Coforge FZ-LLC (formerly known as NIIT Technologies FZ - LLC)	16704	Dubai Development Authority
Coforge FZ-LLC (Dubai Branch) (formerly known as NIIT Technologies FZ - LLC - Dubai Branch)	ADAFZ00065	Abu Dhabi Airports Free Zone

2 New and amended standards

2.1 New and revised IFRSs applied with no material effect on the financial statements

2.1 New standards and amendments applicable for current quarter

In the current quarter, the Entity has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after January 1, 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to references to the Conceptual Framework for Financial Reporting
- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material

2.2 New standards and amendments issued but not effective for the current annual period

The following standards and interpretations had been issued but not yet effective for annual reporting periods ending December 31, 2021.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
- IFRS 17 - Insurance Contracts	January 1, 2023
- IFRS 10 and IAS 28 (amendments)- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	date yet to be set
- Amendments to IAS 1- Classification of Liabilities as Current or Non-current	January 1, 2023

2 New and amended standards (continued)

2.2 New standards and amendments issued but not effective for the current annual period (continued)

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
- Amendments to IFRS 3- Reference to the Conceptual Framework	January 1, 2022
- Amendments to IAS 16- Property, Plant and Equipment—Proceeds before Intended Use	January 1, 2022
- Amendments to IAS 37- Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle-	January 1, 2022
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements in the period of initial application.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out below.

3.3 Current/Non current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or 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.

3 Significant accounting policies (continued)

3.3 Current/Non current classification (continued)

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or 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 Entity classifies all other liabilities as non-current.

3.4 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

	<u>Years</u>
Plant and machinery	2 - 5
Furniture and Fixtures	4 - 10

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

3 Significant accounting policies (continued)

3.6 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

3.7 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

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

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "accounts and other receivable", "cash and cash equivalents", due from related parties" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Accounts and other receivable

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts and other receivable are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

Due from related parties

Due from related parties are measured at amortised cost.

3 Significant accounting policies (continued)

3.7 Financial assets (continued)

Impairment of financial assets

Assets carried at amortised cost

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

3.8 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payable, due to related parties.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to related parties

Amounts due to related parties are stated at amortised cost.

3 Significant accounting policies (continued)

3.8 Financial liabilities (continued)

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. 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.

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.10 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11 Revenue recognition

The Entity has adopted IFRS 15 and has applied the following accounting policy in the preparation of its financial statements.

Revenue from Contracts with Customers

The Entity recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must met.
- Step 2 Identify the performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price : The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

3 Significant accounting policies (continued)

3.11 Revenue recognition (continued)

Step 4 Allocate transaction price to the performance obligations in the contract : For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in an exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Entity satisfies a performance obligation.

The Entity satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- 1 The customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs; or
- 2 The Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- 3 The Entity's performance does not create an asset with an alternative use to the Entity and the Entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Entity satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this give rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The entity has concluded that it is acting as a principal in all its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Entity and the revenue and costs, if applicable, can be measured reliably.

3.12 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

3 Significant accounting policies (continued)

3.12 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Under normal circumstances, in recognising the revenue the management is of the view that in line with the requirement of IAS 18 "Revenue", the risk and reward of ownership is transferred to the buyers of the goods and services and that revenue is reduced for the estimated returns, rebate and other allowances (if any).

Key sources of estimation uncertainty

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

Allowance for doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that accounts receivable are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's inability to meet its financial obligations.

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

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4 Property, plant and equipment

	Plant and machinery	Furniture and Fixtures	Total
Cost			
As at April 1, 2020	49,869	9,636	59,505
As at March 31, 2021	49,869	9,636	59,505
As at March 31, 2022	49,869	9,636	59,505
Accumulated depreciation			
As at April 1, 2020	31,966	8,299	40,265
Charge for the period	6,876	519	7,395
As at March 31, 2021	38,842	8,818	47,660
Charge for the period	6,486	423	6,909
As at March 31, 2022	45,328	9,241	54,569
Carrying value as at March 31, 2022	4,541	395	4,936
Carrying value as at March 31, 2021	11,027	818	11,845

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5 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

a) Due from related parties	As at March 31, 2022	As at March 31, 2021
Coforge UK Limited (Formerly known as NIIT Technologies Limited, UK)	2,112,436	564,782
Coforge Pte Limited (Formerly known as NIIT Technologies Pte Limited, Singapore)	1,471,093	2,237,299
Incessant Technologies (CA) Inc., Canada	-	25,025
	<u>3,583,529</u>	<u>2,827,106</u>
b) Due to related parties	As at March 31, 2022	As at March 31, 2021
Coforge Limited, India (Formerly known as NIIT Technologies Limited, India)	13,237,885	1,308,517
Coforge Limited, India (SEZ Unit 1) (Formerly known as NIIT Technologies Limited (NSU1), India)	-	2,781,465
Coforge Limited, UK (Formerly known as NIIT Technologies Limited, UK)	-	9,677
Coforge Limited, USA (Formerly known as NIIT Technologies Inc., USA)	-	80,397
Whishworks Limited	42,390	42,390
Coforge Limited, India (SEZ UNIT 3)(Formerly known as NIIT Technologies Ltd-NSU3)	-	2,932,145
Coforge Limited India (USA Branch) (Formerly known as NIIT Technologies Ltd. (USA Branch))	1,470,679	346,798
Coforge Airline Technologies, Germany	489,868	171,276
Whishworks IT Consulting, India	611,012	118,260
Coforge India SEZ UNIT 4	-	169,488
Coforge Technologies Australia Pty Ltd	64,205	-
	<u>15,916,039</u>	<u>7,960,413</u>

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	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
6 Accounts receivable		
Accounts receivable	<u>51,750,366</u>	<u>20,617,860</u>
	<u>51,750,366</u>	<u>20,617,860</u>
<i>Ageing of receivables that are neither past due nor impaired:</i>		
1 -90 days	46,533,396	12,934,212
91 - 365 days	5,216,970	7,420,814
Over 365 days	-	262,834
	<u>51,750,366</u>	<u>20,617,860</u>
7 Advances, deposits and other receivables		
Prepayments	1,599,351	3,233,910
Deposits	434,738	417,238
Advances to suppliers	158,623	-
Deferred contract cost	276,412	-
Margin deposits	36,225	39,725
Staff loan and advances	116,113	65,798
Unbilled revenue	6,920,084	7,632,402
Other receivables	-	776
	<u>9,541,546</u>	<u>11,389,849</u>
8 Bank balance		
Cash at bank	<u>2,095,007</u>	<u>5,318,252</u>
	<u>2,095,007</u>	<u>5,318,252</u>
9 Share capital		

Authorised, issued and paid up capital of the Entity is AED 5,000,000, divided into 5,000 shares of AED 1,000 each fully paid.

The details of the shareholding as at reporting date are as follows:

<u>Name of Shareholder</u>	<u>Incorporate d in</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Coforge Limited (formerly known as NIIT Technologies Limited)	India	100%	5,000	5,000,000	5,000,000
		100%	5,000	<u>5,000,000</u>	<u>5,000,000</u>

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	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>		
10 Retained earnings				
Balance at the beginning of the period	8,256,738	7,812,750		
Profit/(loss) for the period	<u>(2,142,284)</u>	<u>443,988</u>		
Balance at the end of the period	<u><u>6,114,454</u></u>	<u><u>8,256,738</u></u>		
11 Term loans				
Unsecured loans from subsidiaries	1,870,000	6,243,250		
Less: non-current portion	<u>(1,870,000)</u>	<u>(6,243,250)</u>		
Term loan non-current portion	<u>-</u>	<u>-</u>		
12 Employees' end of service benefits				
Balance at the beginning of the period	2,772,056	2,792,048		
Add: charge for the period	854,232	1,048,607		
Less: paid during the period	<u>(725,628)</u>	<u>(1,068,599)</u>		
Balance at the end of the period	<u><u>2,900,660</u></u>	<u><u>2,772,056</u></u>		
<p>Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.</p>				
13 Accounts and other payable				
Accounts payable	652,296	5,605,813		
Accrued salaries and benefits	1,280,729	1,022,831		
Deferred revenue	-	1,865,938		
Provisions and other payable	31,167,535	1,203,444		
VAT payable-net	<u>2,073,671</u>	<u>234,429</u>		
	<u><u>35,174,231</u></u>	<u><u>9,932,455</u></u>		
14 Revenue	For the period from January 2022 to March 2022	For the period from April 2021 to March 2022	For the period from January 2021 to March 2021	For the period from April 2020 to March 2021
Sale of services	<u>52,613,214</u>	<u>121,109,603</u>	<u>20,650,672</u>	<u>78,846,352</u>
	<u><u>52,613,214</u></u>	<u><u>121,109,603</u></u>	<u><u>20,650,672</u></u>	<u><u>78,846,352</u></u>

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	period from January 2022 to March 2022	For the period from April 2021 to March 2022	For the period from January 2021 to March 2021	For the period from April 2020 to March 2021
15 Direct costs				
Salaries and related benefits	11,248,264	39,246,537	8,307,434	31,691,843
Direct expenses (including sales costs)	37,459,534	56,502,735	10,958,974	39,739,566
Other production costs	3,353,571	16,421,686	-	-
Development expenses	394,721	1,581,303	278,913	1,800,309
Staff welfare expenses	197,567	602,676	96,442	324,371
Provision for gratuity	746,777	849,772	145,310	1,048,607
	<u>53,400,434</u>	<u>115,204,710</u>	<u>19,787,074</u>	<u>74,604,697</u>
16 Administrative expenses				
Dividend	4,815,870	4,815,870	-	-
Legal, visa and professional	938,918	2,069,560	199,292	803,877
Travelling and entertainment	156,549	364,802	24,543	126,673
Rent	76,785	309,570	80,729	344,763
Foreign currency exchange gain/(loss) - net	49,859	65,818	14,055	66,854
Telephone and communications	15,435	42,236	15,699	42,162
Bank charges	5,145	18,568	4,711	26,605
Insurance	31,409	43,813	11,382	22,917
Repairs & maintenance	1,800	8,248	2,788	10,018
Depreciation on property, plant and equipment (N	1,407	6,909	1,823	7,395
Advertisement	4,578	7,684	2,619	16,250
Utilities	542	1,492	165	1,929
Miscellaneous expenses	887	1,935	228	2,754
	<u>6,099,184</u>	<u>7,756,504</u>	<u>358,033</u>	<u>1,472,198</u>
17 Finance costs				
Financial charges	59,064	290,673	61,577	249,730
	<u>59,064</u>	<u>290,673</u>	<u>61,577</u>	<u>249,730</u>

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18 Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

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18 Financial instruments (continued)

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
<i>Financial assets</i>	<u>Carrying amount</u>		<u>Fair value</u>	
Accounts receivable	51,750,366	20,617,860	51,750,366	20,617,860
Advances, deposits and other receivables	7,507,160	8,155,939	7,507,160	8,155,939
Due from related parties	3,583,529	2,827,106	3,583,529	2,827,106
Bank balance	2,095,007	5,318,252	2,095,007	5,318,252
	<u>64,936,062</u>	<u>36,919,157</u>	<u>64,936,062</u>	<u>36,919,157</u>
<i>Financial liabilities</i>				
Term loans	1,870,000	6,243,250	1,870,000	6,243,250
Accounts and other payable	35,174,231	9,932,455	35,174,231	9,932,455
Due to related parties	15,916,039	7,960,413	15,916,039	7,960,413
	<u>52,960,270</u>	<u>24,136,118</u>	<u>52,960,270</u>	<u>24,136,118</u>

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances, accounts receivable, due from related parties and certain other assets. Financial liabilities consist of accounts payable and accruals, due to related parties, term loans and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

19 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity manages its financial risk by closely monitoring and diversifying into investments into various markets and different sectors. Detailed internal guidelines exist for the investment processes. The Management monitors all investments closely on a regular basis and ensures that these guidelines are followed and objectives are met.

19 Financial risk management objectives (continued)

a) Foreign currency risk management

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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19 Financial risk management objectives (continued)

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
As at March 31, 2022							
Financial assets							
Accounts receivable	-	-	-	-	51,750,366	-	51,750,366
Advances, deposits and other receivables	-	-	-	-	7,507,160	-	7,507,160
Due from related parties	-	-	-	-	3,583,529	-	3,583,529
Bank balances	-	-	-	2,095,007	-	-	2,095,007
	-	-	-	2,095,007	62,841,055	-	64,936,062
Financial liabilities							
Term loan	-	-	1,870,000	-	-	-	1,870,000
Accounts and other payable	-	-	-	-	35,174,231	-	35,174,231
Due to related parties	-	-	-	-	-	15,916,039	15,916,039
	-	-	1,870,000	-	35,174,231	15,916,039	52,960,270
As at March 31, 2021							
Financial assets							
Accounts receivable	-	-	-	-	20,617,860	-	20,617,860
Advances, deposits and other receivables	-	-	-	-	8,155,939	-	8,155,939
Due from related parties	-	-	-	-	-	2,827,106	2,827,106
Bank balances	-	-	-	5,318,252	-	-	5,318,252
	-	-	-	5,318,252	28,773,799	2,827,106	36,919,157
Financial liabilities							
Term loan	-	-	6,243,250	-	-	-	6,243,250
Accounts and other payable	-	-	-	-	9,932,455	-	9,932,455
Due to related parties	-	-	-	-	-	7,960,413	7,960,413
	-	-	6,243,250	-	9,932,455	7,960,413	24,136,118

c) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

Accounts receivable consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Further details of credit risks on accounts and other receivable are disclosed in Note 6 and 7 to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

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20 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

The Entity monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as accounts and other payable, term loans less cash and cash equivalents. Total capital is equivalent to shareholder equity as shown in the statement of financial position.

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20 Capital risk management (continued)

Gearing ratio

The gearing ratio at the period end was as follows:

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Debt (i)	37,044,231	16,175,705
Cash and cash equivalents	<u>(2,095,007)</u>	<u>(5,318,252)</u>
Net debt	<u>34,949,224</u>	<u>10,857,453</u>
Equity (ii)	<u>11,114,454</u>	<u>13,256,738</u>
Net debt to equity ratio	<u>22:7</u>	<u>5:6</u>

i) Debt is defined as term loans and accounts and other payable as detailed in Note 11 and 13.

ii) Equity include all capital and retained earnings of the Entity.

21 Contingent liabilities

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial statements as of reporting date.