

November 15, 2021

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

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

This is to inform you that subsequent to the approval accorded by the Board of Directors of the Company (the “Board”) on 6 July 2021 and the approval of the shareholders of the Company by way of a special resolution dated 30 July 2021, the Board has, at its meeting held today, i.e. November 15, 2021, *inter alia*, passed resolutions for the following:

- a. Approval of the ADR Offer;
- b. Approval of the public filing of the Form – 1 registration statement (“Public F – 1”) with the U.S. Securities and Exchange Commission (“SEC”), and consequently with the Securities and Exchange Board of India, and BSE Limited and National Stock Exchange of India Limited for their record;
- c. Approval of the consolidated financial statements of the Company for the six months period ended September 30, 2021 that have been prepared in accordance with the International Financial Reporting Standards (“IFRS”);
- d. Approval for inclusion of the consolidated financial statements of the Company for the financial years ended March 31, 2021 and March 31, 2020, and the six months period ended September 30, 2021 that have been prepared in accordance with IFRS, in the Public F – 1;
- e. Approval of the documents prepared in connection with the invitation for participation in the ADR Offer (“Invitation for Participation”) to be circulated to the shareholders of the Company; and
- f. Approval of the period during which shareholders can indicate their interest in participating in the ADR Offer and send the documents prescribed under the Invitation for Participation, being November 18, 2021 to December 02, 2021 (both days inclusive).

The Public F – 1 (including financials) and the documents in relation to the Invitation for Participation will be promptly filed with BSE Limited and National Stock Exchange of India Limited after the filing of the Public F – 1 with the SEC is completed.

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

Coforge Limited

(Erstwhile known as NIIT Technologies Limited)

Special Economic Zone, Plot No. TZ-2 & 2A, Sector - Tech Zone, Greater Noida (UP) - 201308, India.

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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 30 September 2021 (In USD)	As at 30 September 2021 (In INR)	As at 31 March 2021 (In INR)
		Refer note 1(c)		
ASSETS				
Non-current assets				
Property, plant and equipment	2 (a)	62	4,626	3,601
Right-of-use assets		15	1,113	917
Goodwill		142	10,538	4,407
Other intangible assets	2 (b)	60	4,426	1,514
Deferred tax assets (net of liabilities)		26	1,931	1,447
Trade receivables		24	1,814	1,584
Income tax assets (net of provisions)		4	287	358
Non current financial assets		6	414	245
Other non-current assets		10	745	254
Total non-current assets		349	25,894	14,327
Current assets				
Trade receivables		177	13,081	10,683
Contract assets		16	1,217	629
Cash and cash equivalents		37	2,736	7,999
Other current financial assets		8	556	547
Other current assets		24	1,797	1,079
Total current assets		262	19,387	20,937
TOTAL ASSETS		611	45,281	35,264
Equity				
Issued Capital		8	606	606
Reserves and surplus		326	24,162	24,314
Equity attributable to owners of Coforge Limited		334	24,768	24,920
Non-controlling interests		12	904	-
Total equity		346	25,672	24,920
LIABILITIES				
Non-Current Liabilities				
Borrowings		45	3,357	3
Trade payables		5	388	325
Lease liabilities		8	574	548
Deferred tax liabilities (net of assets)		10	740	166
Other financial liabilities		30	2,263	-
Employee benefit obligations		14	1,008	696
Other non-current liabilities		3	188	181
Total non- current liabilities		115	8,518	1,919
Current liabilities				
Borrowings		13	935	7
Trade payables		62	4,562	3,398
Lease liabilities		6	444	268
Other financial liabilities		39	2,924	2,435
Employee benefit obligations		4	300	222
Provisions		0	3	3
Other current liabilities		26	1,923	2,092
Total current liabilities		150	11,091	8,425
TOTAL LIABILITIES		265	19,609	10,344
TOTAL EQUITY AND LIABILITIES		611	45,281	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	Period ended	Period ended
		30 September 2021	30 September 2021	30 September 2020
		(In USD)	(In INR)	(In INR)
		Refer note 1(c)		
Revenue from operations	5	409	30,310	22,107
Other income		3	238	115
Total income		412	30,548	22,222
Expenses				
Cost of hardware and third-party software		25	1,881	1,735
Sub-contracting / technical fees		41	3,028	1,655
Employee benefits expense		250	18,538	13,368
Depreciation and amortisation expense		15	1,122	925
Other expenses		27	2,002	1,848
Finance cost		4	284	77
Total expenses		362	26,855	19,608
Profit before income taxes		50	3,693	2,614
Income tax expense		11	766	563
Profit for the period		39	2,927	2,051
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	68	348
Exchange differences on translation of foreign operations		(3)	(200)	39
Income tax relating to items that will be reclassified to profit or loss		0	(16)	(86)
<i>Items not to be reclassified to profit or loss</i>				
Remeasurement of post - employment benefit obligations (expenses) / income		0	(22)	21
Income tax relating to items that will not be reclassified to profit or loss		0	6	(7)
Other comprehensive income/(loss) for the period, net of tax		(2)	(164)	315
Total comprehensive income for the period		37	2,763	2,366
Profit is attributable to:				
Owners of Coforge Limited		36	2,703	2,006
Non-controlling interests		3	224	45
		39	2,927	2,051
Other comprehensive income/(loss) is attributable to:				
Owners of Coforge Limited		(2)	(164)	315
Non-controlling interests		-	-	-
		(2)	(164)	315
Total comprehensive income is attributable to:				
Owners of Coforge Limited		34	2,539	2,321
Non-controlling interests		3	224	45
		37	2,763	2,366
Earnings per equity share (of Rs 10 each) attributable to owners of Coforge Limited				
Basic earnings per share	10	0.60	44.61	32.66
Diluted earnings per share	10	0.59	43.63	32.23

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 changes in equity for the period ended 30 September 2021 and 30 September 2020

(All amounts in Rs Mn unless otherwise stated)

Description	Equity Shares				Reserves and Surplus						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	-	-	-	-	-	-	-	2,006	-	-	2,006	45	2,051
Other Comprehensive Income	-	-	-	-	-	-	-	14	262	39	315	-	315
Total Comprehensive Income for the period	-	-	-	-	-	-	-	2,020	262	39	2,321	45	2,366
Shares issued on exercise of employee stock options	37,300	0	-	-	12	-	-	-	-	-	12	-	12
Transferred from employee stock option reserve on exercise of stock options	-	-	-	-	15	(15)	-	-	-	-	-	-	-
Shares based payments expense	-	-	-	-	-	238	-	-	-	-	238	-	238
Dividend paid	-	-	-	-	-	-	-	(687)	-	-	(687)	-	(687)
Change in fair value of NCI	-	-	-	-	-	-	-	(33)	-	-	(33)	-	(33)
Derecognition of NCI to Financial liability	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
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 30 September 2020	60,575,569	606	11	36	27	306	2,057	18,165	65	550	21,217	-	21,217

Description	Equity Shares				Reserves and Surplus						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	-	-	-	-	-	-	-	2,703	-	-	2,703	224	2,927
Other Comprehensive Income	-	-	-	-	-	-	-	(16)	52	(200)	(164)	-	(164)
Total Comprehensive Income for the period	-	-	-	-	-	-	-	2,687	52	(200)	2,539	224	2,763
Shares issued on exercise of employee stock options	26,249	0	-	-	4	-	-	-	-	-	4	-	4
Transferred from Employee Stock Option Reserve on exercise of stock options	-	-	-	-	22	(22)	-	-	-	-	-	-	-
Shares based payments expense	-	-	-	-	-	227	-	-	-	-	227	-	227
Dividend paid	-	-	-	-	-	-	-	(1,574)	-	-	(1,574)	-	(1,574)
Change in fair value of NCI	-	-	-	-	-	-	-	(1,348)	-	-	(1,348)	-	(1,348)
Dividend from subsidiary	-	-	-	-	-	-	-	-	-	-	-	(416)	(416)
Derecognition of NCI to financial liability	-	-	-	-	-	-	-	-	-	-	-	(927)	(927)
NCI arising on acquisition of subsidiary (Refer note 8)	-	-	-	-	-	-	-	-	-	-	-	2,023	2,023
Balance as at 30 September 2021	60,618,598	606	11	36	65	728	2,057	20,454	129	682	24,162	904	25,066

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 cash flows

(All amounts in Mn unless otherwise stated)

Particulars	Period ended	Period ended	Period ended
	30 September 2021	30 September 2021	30 September 2020
	(In USD)	(In INR)	(In INR)
	Refer note 1(c)		
Cash flow from operating activities			
Profit before tax	50	3,693	2,614
Adjustments for			
Depreciation and amortisation expense	15	1,122	925
Loss on disposal of property, plant and equipment (net)	0	2	5
Interest and finance charges	4	264	59
Employee share-based payment expense	3	234	247
Allowance for doubtful debts & contract assets (net)	0	2	325
Dividend and interest income	0	(24)	(30)
Realised and unrealised loss/ (gain) on investments	0	(2)	(4)
Unwinding of discount - Finance Income	(1)	(46)	(31)
	21	1,552	1,496
Changes in operating assets and liabilities			
(Increase)/Decrease in trade receivables	(36)	(2,686)	(717)
(Increase)/Decrease in other financial assets	11	809	(96)
(Increase)/Decrease in other assets	(13)	(940)	(170)
Increase/(Decrease) in provisions	2	169	79
Increase/(Decrease) in trade payables	9	672	388
Increase/(Decrease) in other liabilities	(2)	(180)	181
Cash used in operations	(29)	(2,156)	(335)
Income taxes paid	(16)	(1,170)	(902)
Net cash inflow from operating activities	26	1,919	2,873
Cash flow from investing activities			
Purchase of property, plant and equipment	(14)	(1,040)	(403)
Proceeds from sale of property, plant and equipment	0	20	7
Acquisition of a subsidiary/operations, net of cash acquired (Refer note 8)	(113)	(8,444)	(264)
Proceeds from sale of current investments	6	450	21
Interest received on bank deposits	0	11	68
Net cash outflow from investing activities	(121)	(9,003)	(571)
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	4	12
Purchase of additional stake in subsidiaries	(1)	(72)	(1,411)
Proceeds from term loan	59	4,331	-
Repayment of term loan	(1)	(56)	(295)
Payment of principal portion of lease liabilities	(2)	(172)	(152)
Interest paid	(2)	(112)	(55)
Dividends paid	(27)	(1,990)	(684)
Net cash inflow/(outflow) from financing activities	26	1,933	(6,751)
Net increase (decrease) in cash and cash equivalents	(69)	(5,151)	(4,449)
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	(2)	(112)	31
Cash and cash equivalents at the end of the period	37	2,736	3,777

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

(All amounts in Mn unless otherwise stated)

Particulars	Period ended	Period ended	Period ended
	30 September 2021	30 September 2021	30 September 2020
	(In USD)	(In INR)	(In INR)
Cash and Cash Equivalents comprise of:			
Balances with banks	37	2,736	3,730
Fixed deposit accounts (less than 3 months maturity)	-	-	47
Total cash and cash equivalents as per statement of financial position	37	2,736	3,777

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 30 September 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) Compliance with IFRS

These interim condensed consolidated financial statements for the six months ended 30 September 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 30 September 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 30 September 2021 were converted into U.S. dollars at the exchange rate of 74.16 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 30 September 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 six months ended 30 September 2021, the Group acquired assets for use in normal course of business with a cost of Rs. 676 Mn (30 September 2020: Rs. 289 Mn), excluding property, plant and equipment acquired through a business combination (see Note 8) and disposed assets with a net book value of Rs. 19 Mn during the period ended 30 September 2021 (30 September 2020: Rs. 12 Mn), resulting in a net gain/(loss) on disposal of Rs. 1 Mn (30 September 2020: Rs. (5) Mn).

2 (b) Intangible assets

Acquisitions and disposals

During the six months ended 30 September 2021, the Group acquired intangible assets for use in normal course of business with a cost of Rs. 299 Mn (30 September 2020: Rs. 268 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 30 September 2021 (30 September 2020: Nil), resulting in a net loss on disposal of Rs. 3 Mn (30 September 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	30 September 2021	31 March 2021
Property, plant and equipment	268	24
Intangible assets	70	52

(All amounts in Rs Mn unless otherwise stated)

3 Contingent liabilities

Contingent liabilities

The Group had contingent liabilities in respect of:

	30 September 2021	31 March 2021
Claims against the Group not acknowledged as debts		
Income tax matters pending disposal by the Indian tax authorities	376	368
Total	376	368

Claims against the Group not acknowledged as debts as on 30 September 2021 include demand from the Indian Income tax authorities on certain matters relating to availment of tax holiday.

The Group is contesting these demands and the management including its tax 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 30 September 2021 and 31 March 2021 were as follows:

As at 30 September 2021	FVPL	FVTOCI	Amortized Cost	Carrying amount	Fair value
Financial assets					
Trade receivables	-	-	1,814	1,814	1,814
Derivative instruments	-	195	-	195	195
Other long-term financial assets	-	-	414	414	414
Total Financial assets	-	195	2,228	2,423	2,423
Financial liabilities					
Non-current borrowings	-	-	3,357	3,357	3,357
Non controlling interest *	-	-	-	2,920	2,920
Trade payable	-	-	388	388	388
Derivative instruments	-	9	-	9	9
Total Financial liabilities	-	9	3,745	6,674	6,674

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 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. 2,920 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 30 September 2021	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial Investments at FVPL</i>				
Mutual funds	-	-	-	-
<i>Derivatives designated as hedges</i>				
Derivative financial assets	-	195	-	195
<i>Financial assets at amortised costs</i>				
Trade receivables	-	1,814	-	1,814
Other long-term financial assets	-	414	-	414
Total financial assets	-	2,423	-	2,423
Financial Liabilities				
<i>Derivatives designated as hedges</i>				
Derivative financial liability	-	9	-	9
<i>Other financial liabilities</i>				
Non controlling interest	-	-	2,920	2,920
<i>Financial liabilities at amortised costs</i>				
Borrowings	-	3,357	-	3,357
Trade payable	-	388	-	388
Total financial Liabilities	-	3,754	2,920	6,674
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.

Non controlling interest

- (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

	30 September 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 30 September 2021 is Rs. 2,920 Mn (31 March 2021: Rs. 708 Mn).

(All amounts in Rs Mn unless otherwise stated)

	Period ended 30 September 2021	Period ended 30 September 2020
5 Revenue from operations		
Sale of products	1,485	1,228
Sale of services	28,825	20,879
Total revenue from operations	30,310	22,107
Revenue from operations include gain/ (loss) on account of hedge amounting to Rs. 115 Mn and Rs (76) Mn for period ended 30 September 2021 and 30 September 2020 respectively.		
Timing of revenue recognition		
Goods transferred at a point in time	1,485	1,228
Services transferred over time	28,825	20,879
Total revenue from operations	30,310	22,107

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 30 September 2021	Period ended 30 September 2020
Banking and financial services	6,843	3,792
Insurance	9,091	7,450
Travel, transportation and hospitality	5,691	4,218
All Others	8,685	6,647
Total Revenue	30,310	22,107

(ii)

Revenue by Service line	Period ended 30 September 2021	Period ended 30 September 2020
Product Engineering	4,026	3,580
Intelligent Automation	4,361	3,265
Data and Integration	6,174	4,224
Cloud and Infrastructure Management	5,171	4,425
Business Process Management	3,047	463
Application Development and Maintenance	7,531	6,150
Total Revenue	30,310	22,107

(iii)

Revenue by Project type	Period ended 30 September 2021	Period ended 30 September 2020
Time-and-material	13,871	10,454
Fixed-price*	16,439	11,653
Total Revenue	30,310	22,107

*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 holding Company 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	Holding Company	Parties in which Key Managerial Personnel of the Group are interested	Total
Rendering of Services	-	1	1
	-	(15)	(15)
Dividend Paid	875	-	875
	(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 30 September 2021	Period ended 30 September 2020
Short term employee benefits**	215	121
Commission & sitting fees	13	12
Post employment benefits*	3	4
Remuneration paid	231	137
Share based payment transactions	145	174
Total of compensation	376	311

*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 30 September 2021	Receivables as at 31 March 2021
Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested	10	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 30 September 2021 and 30 September 2020, respectively:

Particulars	Period ended 30 September 2021	Period ended 30 September 2020
Revenue from operations		
Americas	15,742	10,503
Europe, Middle East and Africa	10,249	7,929
Asia Pacific	2,723	1,817
India	1,596	1,858
Total	30,310	22,107
Adjusted earnings before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA)*		
Americas	2,688	1,828
Europe, Middle East and Africa	1,917	1,621
Asia Pacific	318	163
India	(82)	122
Total	4,841	3,734
Depreciation and amortization	1,122	925
Event based impairments	-	180
Other income (net)	(26)	(15)
Profit before tax	3,693	2,614
Provision for tax	766	563
Profit after tax	2,927	2,051

*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 30 September 2021 and 30 September 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 liabilities (employees and tax related) 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.

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. 175 Mn.

(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 30 September 2021 as follows:

(a) Revenue of Rs. 2,709 Mn and profit after tax of Rs. 347 Mn (net of amortisation of Rs. 134 Mn on intangible assets arising out of acquisition) for the period 28 April 2021 to 30 September 2021.

(b) If the acquisitions had occurred on 1 April 2021, consolidated pro-forma revenue and profit after tax for the period ended 30 September 2021 would have been increased/(decreased) by Rs. 543 Mn and Rs. (476) Mn (post transaction related expenses of Rs. 550 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	201
Less: Dividend paid	(416)
Proportionate share of net assets as at September 30, 2021	1,808

Of the above, NCI subject to put option amounting to Rs 904 Mn (20%) has been derecognised and recorded at fair value of Rs 2,263 Mn as financial liability. The difference of Rs 1,359 Mn is accounted for as equity transaction.

(e) Post acquisition, SLK Global has paid dividend amounting to Rs 1,040 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 30 September 2021, pursuant to Employees Stock Option Plan 2005, 26,249 options were exercised and 80,992 options were lapsed from various Grants and 1,735,252 options were outstanding as on September 30, 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	210,000	10
Bullet vesting in FY 24	58,000	10

The Fair Value of Options granted during the period ended September 30, 2021 was estimated on the date of grant using the following assumptions:

Dividend Yield (%)	0.33%	Risk Free interest rate	4.46% to 6.57%
Weighted average share prices (INR)	3,020.86 to 3,235.76	Expected life of share options (years)	1.62 to 9.48
Expected Volatility (%)	53.97%		

The weighted average fair value of options granted during the period was Rs. 3,301 Mn (30 September 2020: Rs. 928 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 30 September 2021, the Group has recognised Rs 234 Mn of share-based payment expense in the statement of profit or loss (30 September 2020: Rs 247 Mn) including Rs. 78 Mn pertaining to grant issued during the period ended 30 September 2021.

10 Earnings per share

	Period ended 30 September 2021 In USD	Period ended 30 September 2021 In INR	Period ended 30 September 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)	0.60	44.61	32.66
(b) Diluted earnings per equity share of Rs 10 each Attributable to the equity holders of the Company (Rs. Per share)	0.59	43.63	32.23
(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	36	2,703	2,006
<i>Diluted earnings per share</i>			
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	36	2,703	2,006
(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)	60,597,637	60,597,637	61,429,941
Adjustments for calculation of diluted earnings per share:			
Dilutive impact of stock options outstanding (numbers)	1,361,737	1,361,737	812,129
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (numbers)	61,959,374	61,959,374	62,242,070

(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 Company has paid interim dividend of Rs 1,574 Mn.

12 Subsequent events

(a) The group acquired remaining 16.1% stake in Wishworks IT Consulting Private Limited in October 2021 for a consideration of Rs. 657 Mn. Accordingly, Wishworks became wholly owned subsidiary effective on 5 October 2021.

(b) The Board of Directors at its meeting held on October 25, 2021 has declared an interim dividend of Rs. 13 per equity share amounting to Rs. 788 Mn.

13 These interim condensed financial statements were authorised for issue in accordance with a resolution of the directors on 15 November, 2021.

Coforge Limited (formerly NIIT Technologies Limited)
Consolidated statement of financial position as at 31 March 2021 and 31 March 2020

(All amounts in Mn unless otherwise stated)

Particulars	Notes	As at 31 March 2021 (In USD) Refer note 2(b)	As at 31 March 2021 (In INR)	As at 31 March 2020 (In INR)	As at 1 April 2019 (In INR)
ASSETS					
Non-current assets					
Property, plant and equipment	3 (a)	49	3,601	3,758	3,944
Right-of-use assets	3 (b)	12	917	1,050	1,254
Goodwill	3 (c)	59	4,407	4,211	2,504
Other intangible assets	3 (c)	20	1,514	1,919	1,560
Deferred tax assets (net of liabilities)	4 (c)	20	1,447	1,215	1,054
Trade receivables	6(a)	21	1,584	383	50
Contract assets	7	-	-	-	-
Income tax assets (net of provisions)	4 (b)	5	358	411	203
Non current financial assets	6(b)	3	245	267	238
Other non-current assets	5	4	254	140	77
Total non-current assets		193	14,327	13,354	10,884
Current assets					
Trade receivables	6(a)	145	10,683	9,741	6,503
Contract assets	7	8	629	1,072	623
Cash and cash equivalents	6(c)	108	7,999	8,195	5,079
Other current financial assets	6(b)	7	547	1,155	4,448
Other current assets	5	15	1,079	936	1,136
Total current assets		283	20,937	21,099	17,789
Assets classified as held for sale	28	-	-	-	1,144
TOTAL ASSETS		476	35,264	34,453	29,817
Equity					
Issued Capital	11	8	606	625	618
Reserves and surplus	12	328	24,314	23,513	20,092
Equity attributable to owners of Coforge Limited		336	24,920	24,138	20,710
Non-controlling interests	13	-	-	-	75
Total equity		336	24,920	24,138	20,785
LIABILITIES					
Non-Current Liabilities					
Borrowings	6(d)	-	3	45	99
Trade payables	6(e)	4	325	206	-
Lease liabilities	3 (b)	8	548	661	901
Deferred tax liabilities (net of assets)	4 (c)	2	166	279	313
Other financial liabilities	6(f)	-	-	589	538
Employee benefit obligations	8	9	696	593	669
Provisions	9	-	-	-	56
Other non-current liabilities	10	3	181	-	12
Total non-current liabilities		26	1,919	2,373	2,588
Current liabilities					
Borrowings	6(d)	-	7	302	34
Trade payables	6(e)	46	3,398	2,634	1,647
Lease liabilities	3 (b)	4	268	317	280
Other financial liabilities	6(f)	33	2,435	3,053	2,674
Employee benefit obligations	8	3	222	239	152
Provisions	9	-	3	90	182
Other current liabilities	10	28	2,092	1,307	1,142
Total current liabilities		114	8,425	7,942	6,111
Total Liabilities		140	10,344	10,315	8,699
Liabilities directly associated with the assets classified as held for sale	28	-	-	-	333
TOTAL LIABILITIES		140	10,344	10,315	9,032
TOTAL EQUITY AND LIABILITIES		476	35,264	34,453	29,817

Coforge Limited (formerly NIIT Technologies Limited)

Consolidated Statement of Profit and Loss and other comprehensive income for the Year ended 31 March 2021 and 31 March 2020

(All amounts in Mn unless otherwise stated)

Particulars	Note	Year ended	Year ended	Year ended
		31 March 2021	31 March 2021	31 March 2020
		(In USD)	(In INR)	(In INR)
		Refer note 2(b)		
Revenue from operations	14	629	46,628	41,839
Other income	15	4	326	734
Total income		633	46,954	42,573
Expenses				
Cost of hardware and third-party software		48	3,595	1,908
Sub-contracting / technical fees		52	3,845	2,893
Employee benefits expense	16	380	28,158	25,298
Depreciation and amortisation expense	17	25	1,836	1,770
Other expenses	18	46	3,415	4,595
Finance cost	19	2	143	155
Total expenses		553	40,992	36,619
Profit before income taxes		80	5,962	5,954
Income tax expense:	4 (a)	17	1,302	1,278
Profit for the year		63	4,660	4,676
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		5	369	(473)
Exchange differences on translation of foreign operations		3	285	452
Income tax relating to items that will be reclassified to profit or loss		(1)	(95)	120
<i>Items not to be reclassified to profit or loss</i>				
Remeasurement of post - employment benefit obligations (expenses) / income		-	(12)	3
Income tax relating to items that will not be reclassified to profit or loss		-	3	(1)
Other comprehensive income for the year, net of tax		7	550	101
Total comprehensive income for the year		70	5,210	4,777
Profit is attributable to:				
Owners of Coforge Limited		62	4,556	4,440
Non-controlling interests		1	104	236
		63	4,660	4,676
Other comprehensive income is attributable to:				
Owners of Coforge Limited		7	550	101
Non-controlling interests		-	-	-
		7	550	101
Total comprehensive income is attributable to:				
Owners of Coforge Limited		69	5,106	4,541
Non-controlling interests		1	104	236
		70	5,210	4,777
Earnings per equity share (of Rs 10 each) attributable to owners of Coforge Limited				
Basic earnings per share	30	1.01	74.68	71.39
Diluted earnings per share	30	0.99	73.29	70.97

Coforge Limited (formerly NIIT Technologies Limited)
Consolidated Statement of Changes in Equity for the year ended 31 March 2021 and 31 March 2020

(All amounts in Rs Mn unless otherwise stated)

Description	Equity Shares				Reserves and Surplus						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 2019	61,783,874	618	11	17	614	180	2,306	16,808	156	-	20,092	75	20,167
Profit for the year	-	-	-	-	-	-	-	4,440	-	-	4,440	236	4,676
Other Comprehensive Income	-	-	-	-	-	-	-	2	(353)	511	160	-	160
Total Comprehensive Income for the year	-	-	-	-	-	-	-	4,442	(353)	511	4,600	236	4,836
Shares issued on exercise of employee stock options	710,685	7	-	-	279	-	-	-	-	-	279	-	279
Transferred from Employee Stock Option Reserve on exercise of stock options	-	-	-	-	160	(160)	-	-	-	-	-	-	-
Shares based payments expense	-	-	-	-	-	63	-	-	-	-	63	-	63
Dividend paid	-	-	-	-	-	-	-	(1,249)	-	-	(1,249)	-	(1,249)
Corporate dividend tax	-	-	-	-	-	-	-	(219)	-	-	(219)	-	(219)
Acquisition of Whishworks (Refer note 26)	-	-	-	-	-	-	-	-	-	-	0	1,034	1,034
Change in fair value of fair value of NCI	-	-	-	-	-	-	-	(127)	-	-	(127)	-	(127)
Derecognition of NCI to Financial liability	-	-	-	-	-	-	-	-	-	-	0	(1,272)	(1,272)
Others	-	-	-	-	-	-	-	74	-	-	74	(73)	1
Balance as at 31 March 2020	62,494,559	625	11	17	1,053	83	2,306	19,729	(197)	511	23,513	-	23,513

Description	Equity Shares				Reserves and Surplus						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 year	-	-	-	-	-	-	-	4,556	-	-	4,556	104	4,660
Other Comprehensive Income	-	-	-	-	-	-	-	(9)	274	371	636	-	636
Total Comprehensive Income for the year	-	-	-	-	-	-	-	4,547	274	371	5,192	104	5,296
Shares issued on exercise of employee stock options	54,080	1	-	-	17	-	-	-	-	-	17	-	17
Transferred from Employee Stock Option Reserve on exercise of stock options	-	-	-	-	22	(22)	-	-	-	-	-	-	-
Shares based payments expense	-	-	-	-	-	462	-	-	-	-	462	-	462
Dividend paid	-	-	-	-	-	-	-	(687)	-	-	(687)	-	(687)
Change in fair value of NCI	-	-	-	-	-	-	-	(36)	-	-	(36)	-	(36)
Derecognition of NCI to Financial liability	-	-	-	-	-	-	-	-	-	-	-	(104)	(104)
Buy back of equity shares including transaction cost (Refer note 10)	(1,956,290)	(20)	-	19	(1,053)	-	(249)	(2,864)	-	-	(4,147)	-	(4,147)
Balance as at 31 March 2021	60,592,349	606	11	36	39	523	2,057	20,689	77	882	24,314	-	24,314

* Change in fair value of NCI is net off NCI adjustment (Refer note 13)

Coforge Limited (formerly NIIT Technologies Limited)
Consolidated Statement of Cash Flows for the Year ended 31 March 2021 and 31 March 2020

(All amounts in Mn unless otherwise stated)

Particulars	Year ended	Year ended	Year ended
	31 March 2021	31 March 2021	31 March 2020
	(In USD)	(In INR)	(In INR)
Refer note 2(b)			
Cash flow from operating activities			
Profit before tax	80	5,962	5,954
Adjustments for			
Depreciation and amortisation expense	25	1,836	1,730
Impairment of goodwill	-	-	40
Loss on disposal of property, plant and equipment (net)	-	16	13
Interest and finance charges	1	107	120
Provision for customer contracts written back	(1)	(87)	(148)
Employee share-based payment expense	7	476	63
Allowance for doubtful debts & contract assets (net)	9	610	84
Dividend and interest income	(1)	(40)	(81)
Gain on sale of subsidiary	-	-	(96)
Realised and unrealised loss/ (gain) on investments	-	(8)	(208)
Unwinding of discount - Finance Income	(1)	(69)	(24)
	39	2,841	1,493
Changes in operating assets and liabilities			
(Increase)/Decrease in trade receivables	(9)	(691)	(2,071)
(Increase)/Decrease in other financial assets	(8)	(566)	(1,715)
(Increase)/Decrease in other assets	(3)	(218)	166
Increase/(Decrease) in provisions	1	80	(37)
Increase/(Decrease) in trade payables	11	785	958
Increase/(decrease) in other liabilities	15	1,112	35
Cash generated from/(used in) from operations	7	502	(2,664)
Income taxes paid	(23)	(1,682)	(1,814)
Net cash inflow from operating activities	103	7,623	2,969
Cash flow from investing activities			
Purchase of property, plant and equipment	(10)	(782)	(725)
Proceeds from sale of property, plant and equipment	-	25	22
Acquisition of a subsidiary / operations, net of cash acquired	(4)	(264)	(1,256)
Proceeds from sale of subsidiary	-	-	897
Purchase of current investments	-	-	(6,787)
Proceeds from sale of current investments	-	21	10,489
Dividend Income	-	-	12
Interest received on bank deposits	1	73	71
Net cash (outflow) / inflow from investing activities	(13)	(927)	2,723
Cash flow from financing activities [Refer note 6(c)]			
Payment for buy back of own equity shares (including taxes)	(56)	(4,166)	(11)
Proceeds from issue of shares (including securities premium)	-	18	286
Purchase of additional stake in subsidiaries	(19)	(1,427)	(1,362)
Proceeds from term loan	-	-	281
Repayment of term loan	(4)	(306)	(42)
Payment of principal portion of lease liabilities	(5)	(312)	(287)
Interest paid	(1)	(79)	(85)
Dividends paid to the Company's shareholders	(9)	(686)	(1,469)
Net cash (outflow) from financing activities	(94)	(6,958)	(2,689)
Net increase (decrease) in cash and cash equivalents	(4)	(262)	3,003
Cash and cash equivalents at the beginning of the financial year	111	8,195	5,079
Effects of exchange rate changes on cash and cash equivalents	1	66	113
Cash and cash equivalents at the end of the financial year	108	7,999	8,195

Coforge Limited (formerly NIIT Technologies Limited)
Consolidated Statement of Cash Flows for the Year ended 31 March 2021 and 31 March 2020

(All amounts in Mn unless otherwise stated)

Particulars	Year ended	Year ended	Year ended
	31 March 2021	31 March 2021	31 March 2020
	(In USD)	(In INR)	(In INR)
Cash and Cash Equivalents comprise of:			
Balances with banks	98	7,272	4,930
Fixed deposit accounts (less than 3 months maturity)	10	727	3,265
Total cash and cash equivalents as per statement of financial position [Refer note 6(c)]	108	7,999	8,195

(All amounts in Mn unless otherwise stated)

Refer note 2(b)

Notes to the Consolidated Financial Statements as at and for the year ended 31 March 2021 and 31 March 2020

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). These financial statements were authorised for issue in accordance with a resolution of the directors on 2 September, 2021.

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.

B. Basis of preparation of financial statements

(i) Compliance with IFRS

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Refer note 32.

These financial statement are the first financial statement of the Group under IFRS. Refer Note 33 for an explanation on how the transition from previous GAAP to IFRS has effected the Company's financial position, financial performance and cash flow.

(ii) Historical cost convention

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

- certain financial assets and liabilities (including derivative instruments) and put option liability that are measured at fair value;
- defined benefit plans - plan assets measured at fair value [Refer note 1 (p)]; and
- share-based payments [refer note 1(p)]

C. Use of Estimates and judgements

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

Impact of COVID 19 pandemic:

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. The evolving and constantly changing impact of the pandemic has had, and will continue to have, an effect on the way the Group operates its business. The Group have been committed to slowing the spread of the virus as well as ensuring the wellbeing and safety of its employees. The Group has been able to provide work-from-home options for a significantly large number of its global workforce since April 2020 and which continue as at the date of approval of these consolidated financial statements. The Group has been able to keep its employees productive through the use of our technological platforms. However, TTH vertical, which has historically been its second largest industry vertical, experienced a 22.9% revenues decrease in FY 21 compared to FY 20. This decrease in revenue is primarily a result of its travel industry customers suspending their projects as a result of COVID-19-related disruptions.

The Group has evaluated the impact of the 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) 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 these assets will be recovered. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Other areas involving critical estimates and judgements are:

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

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

Areas involving critical estimates and judgments are:

- Estimated goodwill impairment – Note 3 (e)

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment testing, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. However, such cannot be larger than an operating segment as defined in IFRS 8 Operating Segments before aggregation.

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

- Impairment of trade receivables – Note 6 (a)

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Group's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

• **Business combination:**

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations. [Refer note 1(s)].

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

D Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Goodwill arising on acquisition of control is determined as per the business combination accounting policy [Refer note 1(s)]. The group combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies / different accounting period end of subsidiaries have been changed where necessary to ensure consistency with the policies / accounting period adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) Changes in ownership interests

The group treats transactions with non - controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and fair value of any consideration paid or received is recognized within equity.

When the group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to profit or loss. Any investment retained is recognised at fair value.

1 Significant accounting policies

a Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Financial statements of the group are presented in Indian Rupee (INR), which is the parent company's functional and the group's presentation currency.

(ii) Transactions & Balances

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

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

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet
- income and expenses are translated at the monthly average rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold/wound up, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale/winding up.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rates.

(b) Revenue from operations

The Group derives revenues primarily from business Information Technology services comprising of software development and related services, consulting and package implementation and from the licensing of software products offerings (“together called as software related services”). The Group’s arrangements with customers for software related services are time-and-material, fixed-price, fixed capacity / fixed monthly, transaction based or multiple element contracts involving supply of hardware or software with other services. The group classifies revenue from sale of it’s own licenses and revenue from contracts where sale of hardware is a distinct performance obligation as Sale of products and the remaining software related services as Sale of services.

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

In case of arrangement involving resale of third-party products or services, the Group evaluates whether the Group is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Group first evaluates whether the Group controls the good or service before it is transferred to the customer. If Group controls the good or service before it is transferred to the customer, the Group is the principal; if not, the Group is the agent.

In case of multiple element contracts, at contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost-plus margin approach in estimating the stand-alone selling price.

Method of revenue recognition

Revenue on time-and material contracts are recognized over time as the related services are performed.

Revenue from fixed-price, fixed-capacity and fixed monthly contracts, where the performance obligations are satisfied over time, is recognized as per the percentage-of completion method. . The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group is not able to reasonably measure the progress of completion, revenue is recognized only to the extent of costs incurred, for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of income in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

Revenue from transaction based contracts is recognised at the amount determined by multiplying transaction rate to actual transactions taking place during a period.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period.

Contract balances

Revenues in excess of invoicing are treated as contract assets while invoicing in excess of revenues are treated as contract liabilities. The Group classifies amounts due from customer as receivable or contract assets depending on whether the right to consideration is unconditional. If only the passage of time is required before payment of the consideration is due, the amount is classified as receivable. Otherwise, such amounts are classified as contract assets.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the term of the contract.

Others

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis. Services that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers and penalties as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

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

(c) Income Taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries (including branches) operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified year. Deferred tax assets on such tax credit are recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future year based on the internal projections of the Management. The net amount of tax recoverable from the taxation authority is included as part of the deferred tax assets in the consolidated financial statements.

(d) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments.

Lease liability and ROU asset have been separately presented in the consolidated statement of financial position and lease payments have been classified as financing cash flows.

(e) Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(f) Inventories

Inventories represent items of traded goods that are specific to execute composite contracts of software services and IT infrastructure management services and also include finished goods which are interchangeable and not specific to any project. Inventory is carried at the lower of cost or net realizable value. The net realizable value is determined with reference to selling price of goods less the estimated cost necessary to make the sale. Cost of goods that are procured for specific projects is assigned by specific identification of their individual costs. Cost of goods which are interchangeable and not specific to any project is determined using weighted average cost formula.

There was no Inventory as on 31 March 2021, 31 March 2020 and 1 April 2019.

(g) Investments and other financial assets

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

(i) Initial recognition and measurement

All financial assets are 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.

(ii) Subsequent measurement

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

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

(i) Debt instruments

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

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

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

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

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

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

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

Fair value through profit or loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency, however no such designation has been made. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(ii) Equity instruments

All equity investments in scope of IFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies are classified as at FVTPL. For all other equity instruments, the entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The entity makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iii) Derecognition

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

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

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

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

(iv) Impairment of financial assets

In accordance with IFRS 9, the entity applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables, unbilled revenue/ contract assets or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15.
- c) Financial assets that are debt instruments and measured as at FVTOCI

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

- ▶ Trade receivables or contract revenue receivables; and

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

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

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

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

(h) Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

(i) Offsetting financial instruments

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

(j) Other Income

Interest income

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

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(k) Derivatives and hedging activities

The Group uses derivative financial instruments viz. forward currency contracts to hedge its exposure to foreign currency risk in forecast transactions and firm commitments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss.

Cash flow hedges

For the purpose of hedge accounting, cash flow hedges are designated when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The effective portion of the gain or loss on the hedging instrument is recognised in OCI and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the forecast sale occurs.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to statement of profit and loss.

(l) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Such cost also includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

Depreciation methods, estimated useful lives and residual value

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

Asset	Useful life
Buildings	60 years
Plant and Machinery:	
Computers and peripherals	2-5 years
Office Equipment	5 years
Other assets	3-15 years
Furniture and Fixtures	4-10 years
Leasehold improvements	3 years or lease period whichever is lower
Vehicles	8 years

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

(m) Intangible assets

(i) Goodwill

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

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

(ii) Brand, Customer Relationships and other rights

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

(iii) Computer software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

During the period of development, the asset is tested for impairment annually. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

The external computer software acquired separately are measured on initial recognition at cost. After initial recognition/ capitalisation, all software are carried at cost less accumulated amortization and impairment losses, if any.

(iv) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(v) Amortization methods and periods

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

Patents, copyright and other rights	5 years
Computer software - external	3 years
Non - compete fees	5-6 years
Brand	10 years
Customer Contract/ Relationships	5-10 years

Project specific software are amortized over the project duration. The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

(vi) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For other non-financial assets, including property, plant and equipment, ROU assets and intangible assets having finite useful lives, the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

(n) Borrowing Costs

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

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

(o) Provisions and contingent liabilities

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

Provision for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of termination the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with the contract to the statement of profit and loss.

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

(p) Employee benefit obligations

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprising of as a result of experience adjustments and changes in actuarial assumptions are recognised immediately in the statement of profit and loss in the period in which they occur.

(iii) Post - employment obligations

Defined benefit plans:

Provident Fund

Employees Provident Fund contributions are made to a Trust administered by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. If the interest earnings and cumulative surplus of Trust are less than the present value of the defined benefit obligation the interest shortfall is provided for as additional liability of employer and charged to the statement of profit and loss.

Gratuity

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

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

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

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

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

Defined contribution plan:

Superannuation

The Group makes defined contribution to a Trust established for this purpose. The Group has no further obligation beyond its monthly contributions. The Group's contribution towards Superannuation Fund is charged to Statement of Profit and Loss on accrual basis.

Overseas Employees

In respect of employees of the overseas branches where ever applicable , the Group makes defined contributions on a monthly basis towards the retirement saving plan which are charged to the Statement of Profit and Loss on accrual basis.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Coforge Employee Stock Option Plan 2005 (formerly NIIT Technologies Employee Stock Option Plan 2005)

Equity settled employee stock options

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(q) Dividends

Dividend to shareholders is recognised as a liability and deducted from equity, in the year / period in which the dividends are approved by the shareholders.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

(s) Business combinations

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

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

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

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

Liability for non-controlling interests

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

(t) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

(u) Fair value measurements

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

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

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

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

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

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

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

(v) Current versus non-current classification

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

An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

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

(w) Rounding of amounts

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

2(a) Standards issued but not yet effective

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 1, 2021 and have not been applied in preparing these consolidated financial statements. New standards, amendments to standards and interpretations that could have potential impact on the consolidated financial statements of the Group are:

Amendment to IAS 1 – Presentation of Financial Statements

On January 23, 2020, the IASB has issued “Classification of liabilities as Current or Non-Current (Amendments to IAS 1)” providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangement in place at the reporting date. The amendments aim to promote consistency in applying the requirements by helping companies to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent.

The amendments also clarified the classification requirements for debt a company might settle by converting it into equity. These amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively, with earlier application permitted. The Group is currently evaluating the impact of amendment to IAS 1 on the consolidated financial statements.

Amendment to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

On May 14, 2020, the IASB issued “Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)”, amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment specifies that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. These amendments are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The Group is currently evaluating the impact of amendment to IAS 37 on the consolidated financial statements.

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

In August 2020, the IASB issued Interest Rate Benchmark Reform (Phase 2), which amends other IFRS standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The amendments in this final phase relate to practical expedient for particular changes in contractual cash flows, relief from specific hedge accounting requirements and certain disclosure requirement. These amendments are effective for annual reporting periods beginning on or after January 1, 2021, with earlier application permitted. The adoption of these amendments is not expected to have any material impact on the consolidated financial statements of the Group.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

On May 14, 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of IFRS 9 in assessing whether to derecognize a financial liability. This amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The Group is currently evaluating the impact of amendment to IFRS 9 on the consolidated financial statements.

Amendment to IAS 1 – Presentation of Financial Statements

On February 12, 2021, the IASB amended IAS 1 “Presentation of Financial Statements”. The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. The amendments also clarified that accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements; and the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. These amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively, with earlier application permitted. The Group is currently evaluating the impact of amendment to IAS 1 on the consolidated financial statements.

Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

On February 12, 2021, the IASB amended IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. These amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively, with earlier application permitted. The Group is currently evaluating the impact of amendment to IAS 8 on the consolidated financial statements.

Amendments to IAS 16- Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the financial statement.

2(b) Convenience translation

The consolidated financial statements are stated in million of INR. However, solely for the convenience of the readers, the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows for the year ended 31 March 2021 were converted into U.S. dollars at the exchange rate of 74.16 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 September 30, 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.

3 (a) Property, plant and equipment
(All amounts in Rs Mn unless otherwise stated)

Particulars	Buildings	Plant and Machinery - Computers and Peripherals	Plant and Machinery - Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold Improvements	Vehicles*	Capital work in progress	Total
Gross carrying amount									
As at 1 April 2019	2,464	2,377	275	1,535	769	167	388	14	7,989
Addition pursuant to acquisition of subsidiary during the year (refer note 26)	-	7	1	1	1	-	-	-	10
Additions	-	277	13	21	53	10	90	-	464
Disposals	-	133	4	6	9	14	77	-	243
Translation Adjustment	-	26	2	(1)	8	3	-	-	38
Transfers/Adjustment	-	-	-	-	-	-	-	(11)	(11)
As at 31 March 2020	2,464	2,554	287	1,550	822	166	401	3	8,247
Accumulated depreciation									
As at 1 April 2019	240	2,027	204	826	466	140	142	-	4,045
Depreciation charge for the year	41	259	32	150	79	14	48	-	623
Disposals	-	131	6	5	8	14	46	-	210
Translation Adjustment	-	17	1	8	2	3	-	-	31
As at 31 March 2020	281	2,172	231	979	539	143	144	-	4,489
Net carrying amount as at 1 April 2019	2,224	350	71	709	303	27	246	14	3,944
Net carrying amount as at 31 March 2020	2,183	382	56	571	283	23	257	3	3,758

Following are the changes in the carrying value of property, plant and equipment for fiscal 2021:

Particulars	Buildings	Plant and Machinery - Computers and Peripherals	Plant and Machinery - Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold Improvements	Vehicles*	Capital work in progress	Total
Gross carrying amount									
As at 1 April 2020	2,464	2,554	287	1,550	822	166	401	3	8,247
Additions	-	406	7	7	6	-	95	-	521
Disposals	-	34	13	1	22	-	86	-	156
Translation Adjustment	-	14	1	6	1	2	-1	-	23
Transfers/Adjustment	-	-	-	-	-	-	-	(1)	(1)
As at 31 March 2021	2,464	2,940	282	1,562	807	168	409	2	8,634
Accumulated depreciation									
As at 1 April 2020	281	2,172	231	979	539	143	144	-	4,489
Depreciation charge for the year	41	278	25	147	80	18	49	-	638
Disposals	-	34	13	1	18	-	53	-	119
Translation Adjustment	-	15	3	-	5	2	-	-	25
As at 31 March 2021	322	2,431	246	1,125	606	163	140	-	5,033
Net carrying amount as at 31 March 2021	2,142	509	36	437	201	5	269	2	3,601

*Includes vehicles financed through loans gross carrying amount Rs. 72 Mn (31 March 2020 - Rs. 111 Mn, 1 April 2019- Rs.164 Mn), net carrying amount Rs. 37 Mn (31 March 2020 - Rs. 68 Mn, 1 April 2019- Rs.114 Mn); hypothecated to financial institutions/banks against term loans [Refer Note No. 6 (d)]

(All amounts in Rs Mn unless otherwise stated)

3 (b) Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021 and 31 March 2020:

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Category of ROU asset			Total	Category of ROU asset			Total
	Lease Hold Land	Buildings	Vehicles		Lease Hold Land	Buildings	Vehicles	
Balance at beginning*	258	789	3	1,050	261	987	6	1,254
Additions	49	162	-	211	-	12	-	12
Additions through business combination	-	-	-	-	-	35	-	35
Deletions	-	(52)	-	(52)	-	(8)	-	(8)
Depreciation	(4)	(285)	(2)	(291)	(3)	(277)	(3)	(283)
Translation difference	-	(1)	-	(1)	-	40	-	40
Balance at the end	303	613	1	917	258	789	3	1,050

The following is the movement in lease liabilities

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning*	973	1,178
Additions	211	12
Additions through business combination	-	35
Deletions	(5)	(8)
Finance cost accrued during the period	64	80
Payment of lease liabilities	(425)	(367)
Translation difference	(6)	43
Balance at the end	812	973

* As at 31 March 2020 for year ended 31 March 2021 and as at 01 April 2019 for year ended 31 March 2020.

The following is the break-up of current and non-current lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current lease liabilities	268	317	280
Non-current lease liabilities	548	661	901
Total	816	978	1,181

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Less than one year	314	371	356
One to five years	552	674	931
More than five years	68	83	117
	934	1,128	1,404

The following are the amounts recognised in profit or loss:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation expense of right-of-use assets	291	283
Interest expense on lease liabilities	64	80
Expense relating to short-term leases and leases of low-value assets (included in other expenses)	185	163
	540	526

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases and leases of low-value assets was Rs. 185 Mn (Previous year Rs. 163 Mn) recorded in other expenses under facility related expenses.

The Group had total cash outflows for principal portion of leases of Rs. 312 Mn in (Previous year Rs. 287 Mn).

3 (c) Intangible assets

(All amounts in Rs Mn unless otherwise stated)

Following are the changes in the carrying value of goodwill and intangible assets for fiscal 2020:

Particulars	Other Intangible assets						Total	Goodwill
	Acquired software	Internally developed software	Patents	Brand	Customer relationships	Non-compete fee		
Gross carrying amount								
As at 1 April 2019	2,637	450	10	301	1,016	363	4,777	2,504
Addition pursuant to acquisition of subsidiary during the year (refer note 26)	1	-	-	200	620	85	906	-
Additions	240	-	-	-	-	-	240	1,594
Translation Adjustment	19	17	3	8	28	4	79	153
As at 31 March 2020	2,897	467	13	509	1,664	452	6,002	4,251
Accumulated amortization and impairment								
As at 1 April 2019	2,287	293	5	61	353	218	3,217	-
Amortization charge for the year	386	64	1	45	255	73	824	-
Impairment **	-	-	-	-	-	-	-	40
Translation Adjustment	16	15	2	1	6	2	42	-
As at 31 March 2020	2,689	372	8	107	614	293	4,083	40
Net carrying amount as at 1 April 2019	350	157	5	240	663	145	1,560	2,504
Net carrying amount as at 31 March 2020	208	95	5	402	1,050	159	1,919	4,211

Following are the changes in the carrying value of goodwill and intangible assets for fiscal 2021:

Particulars	Other Intangible assets						Total	Goodwill
	Acquired software	Internally developed software	Patents	Brand	Customer relationships	Non-compete fee		
Gross carrying amount								
As at 1 April 2020	2,897	467	13	509	1,664	452	6,002	4,251
Additions	273	-	-	-	201	-	474	61
Disposals	1,224	-	-	-	-	-	1,224	-
Translation Adjustment	16	35	-	8	9	-	68	135
As at 31 March 2021	1,962	502	13	517	1,874	452	5,320	4,447
Accumulated amortization and impairment								
As at 1 April 2020	2,689	372	8	107	614	293	4,083	40
Amortization charge for the year	415	49	-	49	317	77	907	-
Disposals	1,224	-	-	-	-	-	1,224	-
Translation Adjustment	14	31	1	(1)	(4)	(1)	40	-
As at 31 March 2021	1,894	452	9	155	927	369	3,806	40
Net carrying amount as at 31 March 2021	68	50	4	362	947	83	1,514	4,407

** During the previous year the carrying amount of one of the CGU in EMEA has been reduced to its recoverable amount by recognition of an impairment loss against goodwill on account of COVID-19 in the statement of profit and loss. Refer note 17.

The disposal in acquired software represents write offs of certain software having gross carrying amount of Rs. 1,224 Mn, accumulated amortisation of Rs. 1,224 Mn and net carrying amount of Nil.

3 (d) Commitments

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

Particulars	31 March 2021	31 March 2020	1 April 2019
Property, plant and equipment	24	66	58
Intangible assets	52	48	51

3 (e) Impairment tests for goodwill**a) Significant estimate: Key assumptions used for value-in-use calculations**

The Group monitors the performance of each acquired business including related goodwill as a separate unit. In certain cases, these businesses fall into more than one Operating Segments. For impairment testing, considering the requirements of IAS 36 paragraph 80(b), the goodwill as well as other assets of the acquired businesses, viz. WHISHWORKS, DPA, Advantage Go and BPM have been allocated such that unit for goodwill impairment testing does not exceed an operating segment. Particularly, the operations of DPA and WHISHWORKS are spread across multiple operating segments and thus for impairment testing, goodwill and all other assets are further allocated to ensure that goodwill impairment testing does not cross limits of an operating segments.

WHISHWORKS provides digital integration business solutions, DPA and BPM are global business process management specialist. Advantage Go is in the business of commercial insurance software and solution provider.

Basis the above methodology, given below is an allocation of carrying amount of goodwill to the units (group of units) having significant goodwill in comparison with the Group's total carrying amount of goodwill:

CGU	Segment	1-Apr-19	31-Mar-20	31-Mar-21
WHISHWORKS	EMEA	-	1,247	1,286
DPA	APAC	339	332	354
Advantage Go	EMEA	827	860	924
BPM	Americas	504	548	532
Others*		834	1,224	1,311
		2,504	4,211	4,407

There are no intangible assets with indefinite useful life allocated to CGU

*Others include units namely Coforge Spain, Coforge Airline Technologies GmbH, DPA UK, DPA USA, WHISHWORKS USA, Artech, Provision tree and WHISHWORKS India to which allocated goodwill is individually insignificant.

The Group performed its annual impairment test for each of the above units separately at each reporting date. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used in value in use calculations:

Assumption

Revenue

Approach used to determining values [refer note C.]

Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. These growth rates are further corroborated by annual budgets of the Company.

Budgeted operating margin

Based on past performance and management's expectations for the future.

Pre-tax discount rates

Reflect specific risks relating to the relevant segments and the geographies in which they operate.

Basis above, the following table sets out the key assumptions (approximate) for those CGUs that have significant goodwill allocated to them:

31 March 2021

CGU	Segment	Revenue (% annual growth rate)	Budgeted operating margin (%)	Pre-tax discount rate (%)
WHISHWORKS	EMEA	9.50%	28%	19.50%
DPA	APAC	5%	20%	12%
Advantage Go	EMEA	10%	30%	12%
BPM	Americas	10%	31%	17%

31 March 2020

CGU	Segment	Revenue (% annual growth rate)	Budgeted operating margin (%)	Pre-tax discount rate (%)
WHISHWORKS	EMEA	9.50%	28%	19.50%
DPA	APAC	5%	20%	12%
Advantage Go	EMEA	10%	30%	12%
BPM	Americas	10%	31%	17%

1 April 2019

Segment	CGU	Revenue (% annual growth rate)	Budgeted operating margin (%)	Pre-tax discount rate (%)
DPA	APAC	5%	20%	12%
Advantage Go	EMEA	5%	30%	12%
BPM	Americas	10%	38%	17%

Assumptions for goodwill, for segments classified as others are based on revenue growth rates, operating margins and discount rates as applicable for respective CGUs considering the respective services/ geographies.

(All amounts in Rs Mn unless otherwise stated)

b) Significant estimate: impairment charge

The Group has performed impairment testing for the above CGUs and no impairment charge has been identified as at 31 March 2021 (31 March 2020 - Rs 40 Mn impairment recognised on goodwill related to Coforge Airline Technologies GmbH (CATG) under the head depreciation and amortisation).

c) Significant estimate: Impact of possible changes in key assumptions

The Group has considered and assessed reasonably possible change for other key assumptions and have not identified any reasonable possible that could cause the carrying amount of any CGU to exceed its recoverable amount. For the year ended 31 March 2020, the recoverable amount for CATG is not materially greater than its carrying value. If there is significant deterioration in the operations of this CGU and its expected future cash flows, this may lead to an impairment loss being recognised. Basis the methodology as discussed above, no impairment loss was recognised for the year ended March 31, 2021

(All amounts in Rs Mn unless otherwise stated)

4 Income Taxes

This note provides an analysis of the group's income tax expense, shows amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax positions.

	Year ended 31 March 2021	Year ended 31 March 2020
4 (a) (i) Income tax expense		
<i>Current tax</i>		
Current tax on operating profits of the year	1,712	1,548
Adjustments for current tax of prior periods	24	12
Total current tax expense	1,736	1,560
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets - Minimum Alternate Tax	(128)	(9)
Decrease (increase) in deferred tax assets (Employee benefits and provisions and others)	(99)	(55)
(Decrease) in deferred tax liabilities (PPE)	(92)	33
(Decrease) in deferred tax liabilities (Intangible assets)	(115)	(251)
Total deferred tax benefit	(434)	(282)
Income tax expense	1,302	1,278
(ii) Amount recognised directly in equity		
Deferred tax (liability) on other comprehensive income	(92)	119
(iii) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised due to no probable certainty of realisation (with no expiry period)	394	543
Potential tax benefit	118	161

(iv) Unrecognised temporary differences

Certain subsidiaries of the Group have undistributed earnings, which are expected to be distributed as dividend. The group follows policy of further distributing dividend received from subsidiaries to its shareholders. The Indian Income Tax Act allows the parent company credit for taxes paid by its subsidiaries on dividend. Accordingly, no deferred tax liability has been recorded on such undistributed earnings.

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

	31 March 2021	31 March 2020
Profit from continuing operations before income tax expense	5,962	5,954
Tax at the Indian tax rate of 34.944% (for FY 2019-20: 34.944%)	2,083	2,081
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of deductions		
Effect of tax holiday benefits*	(443)	(412)
Taxes paid by branches - net of credits	27	(90)
Others	(4)	(19)
Impact of permanent differences		
Expenses to the extent disallowable	20	11
Tax provision for current tax of prior periods	24	12
Others	46	37
Others		
Effect of differential tax rates	(451)	(372)
Effect due to change in statutory tax rate during the year	-	30
Income tax expense	1,302	1,278

*The Group is availing benefits of various tax incentives in the form of tax holidays and exemptions provided by the Government of India.

(All amounts in Rs Mn unless otherwise stated)

4 (b) The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021, 31 March 2020 and 1 April 2019

	31 March 2021	31 March 2020	1 April 2019
Income tax assets			
Advance Income Tax	8,994	7,721	6,082
Less: Provision for income tax	8,636	7,310	5,879
Total income tax assets	358	411	203

4 (c) The following table provides the details of deferred tax assets and deferred tax liabilities as of 31 March 2021, 31 March 2020 and 1 April 2019:

	31 March 2021	31 March 2020	1 April 2019
Deferred tax assets - Non Current	1,447	1,215	1,054
The balance comprises temporary differences attributable to:			
Provisions allowed on payment basis	349	334	340
Defined benefit obligations allowed on payment basis	298	194	236
Other items	37	49	(64)
Minimum alternate tax credit entitlement	895	767	758
Gross deferred tax assets (A)	1,579	1,344	1,270
Tax impact of difference between carrying amount of Property, plant and equipment in the financial statements and as per the income tax calculation	(101)	(193)	(160)
Deferred tax asset related to fair value loss on derivative instruments not charged in the statement of Profit and Loss but taken to Balance Sheet	(31)	64	(56)
Gross deferred tax liabilities (B)	(132)	(129)	(216)
Net Deferred tax assets (A-B)	1,447	1,215	1,054

Movement in deferred tax assets

	Deferred tax assets							Deferred tax liability
	Property, plant and equipment	Derivatives	Defined benefit obligations allowed on payment basis	Provisions allowed on payment basis	Minimum alternate tax credit entitlement	Other items	Total	Intangible assets
At 1 April 2019	(160)	(56)	236	340	758	(64)	1,054	(313)
Acquisition of subsidiary (charged)/credited:	-	-	-	-	-	-	-	(196)
- to profit or loss- deferred tax	(33)	-	(41)	(6)	-	102	22	251
- MAT asset created from current tax expenses	-	-	-	-	9	-	9	-
- to other comprehensive income	-	-	-	-	-	-	-	-
Income tax netted with deferred gain on cash flow hedges	-	120	-	-	-	-	120	-
Remeasurement of post - employment benefit obligations (expenses) / income	-	-	(1)	-	-	-	(1)	-
- Translation adjustment	-	-	-	-	-	11	11	(21)
At 31 March 2020	(193)	64	194	334	767	49	1,215	(279)
(charged)/credited:								
- to profit or loss- deferred tax	92	-	103	15	-	(19)	191	115
- MAT asset created from current tax expenses	-	-	-	-	128	-	128	-
- to other comprehensive income	-	-	-	-	-	-	0	-
Income tax netted with deferred gain on cash flow hedges	-	(95)	-	-	-	-	(95)	-
Remeasurement of post - employment benefit obligations (expenses) / income	-	-	3	-	-	-	3	-
- Translation adjustment	-	-	(2)	-	-	7	5	(2)
At 31 March 2021	(101)	(31)	298	349	895	37	1,447	(166)

Notes :

Deferred tax assets and liabilities above have been determined by applying the income tax rates of respective countries. Deferred tax assets and liabilities in relation to taxes payable under different tax jurisdictions have not been offset in financial statements. Accordingly deferred tax assets of Rs. 1,447 Mn (31 March 2020 Rs. 1,215 Mn, 1 April 2019 Rs. 1,054 Mn) and Deferred tax liability of Rs. 166 Mn (31 March 2020- Rs. 279 Mn, 1 April 2019- 313 Mn) have been separately disclosed.

(All amounts in Rs Mn unless otherwise stated)

4 (d) Contingent liabilities

Contingent liabilities

The Group had contingent liabilities in respect of:

	31 March 2021	31 March 2020	1 April 2019
Claims against the Group not acknowledged as debts			
Income tax matters pending disposal by the Indian tax authorities	368	138	285
Total	368	138	285

Claims against the Group not acknowledged as debts as on March 31, 2021 include demand from the Indian Income tax authorities on certain matters relating to availment of tax holiday

The Group is contesting these demands and the management including its tax 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.

Also refer Note 8(iv) on Code of social security not yet made effective.

(All amounts in Rs Mn unless otherwise stated)

5 Other Current and Non Current assets

Other Current and Non current assets comprises of:

	31 March 2021	31 March 2020	1 April 2019
Current			
Advances other than capital advances	367	416	416
Prepayments	669	486	683
Deferred contract cost	43	34	37
Total other Current assets	1,079	936	1,136
Non- Current			
Capital advances	-	14	-
Advances other than capital advances	38	62	1
Prepayments	152	42	72
Deferred contract cost	64	22	4
Total other non-current assets	254	140	77

6 Financial assets and financial liabilities

(All amounts in Rs Mn unless otherwise stated)

6(a) Trade receivables (Financial Asset at Amortised Cost)

	31 March 2021		31 March 2020		1 April 2019	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Trade receivables	11,588	1,584	10,489	383	7,128	50
Less: Allowance for doubtful debt	905	-	748	-	625	-
Total receivables	10,683	1,584	9,741	383	6,503	50

Trade receivables includes amounts yet to be billed to customers and dependent only on passage of time (unbilled)

	1,788	1,584	1,176	383	626	5
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As at March 31, 2021, the Group has outstanding trade receivables of Rs 921 Mn (Previous year Rs. 810 Mn, 1 April 2019 Rs. 936 Mn) relating to Government customers in India [net of provision of Rs. 492 Mn (Previous year Rs. 574 Mn, 1 April 2019 Rs. 537 Mn)]. The appropriateness of the allowance for doubtful trade receivables is subjective due to the high degree of significant judgment applied by management in determining the impairment provision. Above trade receivables pertain to contract with customers as defined under IFRS 15 on Revenue from contract with customers.

During the year, one of the Indian government customers of the Group with whom the contract was executed during 2014, has deducted certain amounts. The maximum exposure as of March 31, 2021 is estimated to be Rs. 137 Mn. The Group, basis it's assessment and legal advice, considers such deductions to be arbitrary and has disputed the same and is confident of resolving it favorably.

The Group has assessed the impact of the global pandemic on the financial statements, including the subsequent events upto the reporting date as below. As a result, the Group has recognised Rs 201 Mn as provision for doubtful debts during the year ended March 31, 2021, against customers in the travel and hospitality sector. The appropriateness of the allowance for doubtful trade receivables pertaining to customers in travel and hospitality sector is subjective due to the high degree of significant judgment applied by management in determining the impairment provision.

During the year the Group received old outstanding (which was provided for in earlier years) amounting to Rs. 220 Mn from one of its government customer. The Group recorded the recovery of principal amount of Rs. 138 Mn as credit to the allowance for doubtful debts - trade receivables and interest component of Rs. 82 Mn in Other Income.

6(b) Other financial assets

(i) Other financial assets at amortised cost

	31 March 2021		31 March 2020		1 April 2019	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Security deposits	112	33	128	25	79	62
Less -Allowance for doubtful security deposits	-	2	-	2	-	2
	112	31	128	23	79	60
Long term deposits with bank with maturity period more than 12 months [Refer Note (a) below]	-	153	30	205	-	178
Deposits with maturity more than 3 months but less than 12 months	106	-	823	-	480	-
Unpaid dividend account [Refer Note (b) below]	17	-	16	-	17	-
Others	21	61	9	39	-	-
	256	245	1,006	267	576	238

(a) Includes Rs. 145 Mn (31 March 2021 Rs. 156 Mn, 1 April 2019 Rs. 156 Mn) Held as margin money by bank against bank guarantees given to the Customers.

(b) Can be used only to settle unpaid dividend liability.

	31 March 2021		31 March 2020		1 April 2019	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
(ii) Financial assets at fair value through other comprehensive income - Non Current						
Investments in equity instruments (fully paid) at Fair Value through OCI	-	-	-	-	-	-
# 0 represents amount is below the rounding off norm adopted by the Group						
(iii) Financial assets at fair value through profit or loss- Current						
Investment in Mutual Funds - Quoted	124	-	137	-	3,651	-
(iv) Derivative Financial Assets						
(i) Derivatives						
Foreign exchange forward contracts designated as cash flow hedge	167	-	12	-	221	-
Total derivative financial assets	167	-	12	-	221	-
Total other financial assets	547	245	1,155	267	4,448	238

(All amounts in Rs Mn unless otherwise stated)

6(c) Cash and cash equivalents consist of the following:

	31 March 2021	31 March 2020	1 April 2019
Balances with Banks			
- in Current Accounts	4,211	4,179	4,379
- in EEFC account	3,061	751	-
Deposits with maturity less than three months	727	3,265	700
Total Cash and cash equivalents	7,999	8,195	5,079

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Particulars	As at 1st April 2020	Cash Flow during the year			Finance Charges Accrued	Others (note 1)	As at 31 March 2021
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	320	-	(306)	(306)	-	-	14
Dividend Payable (including Corporate Dividend Tax)	16	-	(686)	(686)	-	687	17
Interest on borrowings	-	-	(7)	(7)	7	-	-
Lease liability	973	-	(425)	(425)	64	200	812
Fair value of NCI	1,994	-	(1,427)	(1,427)	-	141	708
	3,303	-	(2,851)	(2,851)	71	1,028	1,551

Note 1: Others include interim dividend accrued during the year.

Particulars	As at 1st April 2019	Cash Flow during the year			Finance Charges Accrued	Others	As at 31 March 2020
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt) (Note 1)	81	281	(42)	239	-	-	320
Dividend Payable (including Corporate Dividend Tax) (Note 2)	17	-	(1,469)	(1,469)	-	1,468	16
Interest on borrowings	-	-	(5)	(5)	5	-	-
Lease liability	1,178	-	(367)	(367)	80	82	973
Fair value of NCI (Note 3)	1,954	-	(1,362)	(1,362)	-	1,402	1,994
	3,230	281	(3,245)	(2964)	85	2,952	3,303

Note 1 - Proceeds includes amount acquired through acquisition Rs. 7 Mn

Note 2 - Others include interim dividend accrued during the year.

Note 3 - Others include fair value of NCI on acquisition of WHISHWORKS.

(All amounts in Rs Mn unless otherwise stated)

6 Financial liabilities

	31 March 2021	31 March 2020	1 April 2019
6(d) Non - Current Borrowings			
Secured Loans			
Term loans			
From Financial Institutions	3	13	37
Deferred Payment Liabilities			
Property Plant & Equipments	-	32	62
Total non-current borrowings	<u>3</u>	<u>45</u>	<u>99</u>
Current Borrowings			
Secured Loans			
Current maturities of Term loans			
From Financial Institutions	7	20	33
Unsecured Loans			
Term loans			
From Financial Institutions	-	282	1
Total current borrowings	<u>7</u>	<u>302</u>	<u>34</u>

(a) Term loans from Financial Institution

'- Secured by way of hypothecation of the vehicles financed. The loan amounts along with interest are repayable over the period of 2 to 3 years (equal monthly instalments) from the date of sanction of loan. The interest rate on above loans are within the range of 8.63% to 11.36% per annum

'- Unsecured loan amount along with interest are repayable in 6 months from the date of sanction of loan. The interest rate on above loan is 3.95% per annum. During the year, the Group has repaid the loan amount along with interest.

(b) The carrying amount of non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 3(a).

6(e) Trade Payable

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms.

	31 March 2021		31 March 2020		1 April 2019	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Trade Payables	3,398	325	2,634	206	1,647	-
	<u>3,398</u>	<u>325</u>	<u>2,634</u>	<u>206</u>	<u>1,647</u>	<u>-</u>

6(f) Other Financial liabilities

(i) Financial Liability

	31 March 2021		31 March 2020		1 April 2019	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Capital creditors	134	-	90	-	109	-
Employee benefits payable	1,515	-	1,266	-	1,123	-
Unclaimed dividend	17	-	16	-	17	-
Fair value of NCI	708	-	1,405	589	1,416	538
Total other financial liabilities	<u>2,374</u>	<u>-</u>	<u>2,777</u>	<u>589</u>	<u>2,665</u>	<u>538</u>

Fair value of NCI amounting to Rs. 708 Mn (31 March 2020 Rs. 1,994 Mn, 1 April 2019 Rs. 1,954 Mn) has been measured through fair valuation by other equity. Also refer note 26 and 27.

(ii) Derivative Financial Liability

Designated as hedge instrument cash flow hedge

Foreign exchange forward contracts	61	-	276	-	9	-
Total derivative financial liabilities	<u>61</u>	<u>-</u>	<u>276</u>	<u>-</u>	<u>9</u>	<u>-</u>
Total other financial liabilities	<u>2,435</u>	<u>-</u>	<u>3,053</u>	<u>589</u>	<u>2,674</u>	<u>538</u>

(All amounts in Rs Mn unless otherwise stated)

6(g) Fair value measurements

The carrying value and fair value of financial instruments by categories as of 31 March 2021, 31 March 2020 and 1 April 2019 were as follows:

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					
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

As at 31 March 2020	FVPL	FVTOCI	Amortized Cost	Carrying amount	Fair value
Financial assets					
Trade receivables	-	-	383	383	383
Investments in Mutual funds	137	-	-	137	137
Derivative instruments	-	12	-	12	12
Other long-term financial assets	-	-	267	267	267
Total Financial assets	137	12	650	799	799
Financial liabilities					
Borrowings	-	-	45	45	45
Non controlling interest *	-	-	-	1,994	1,994
Trade payable	-	-	206	206	206
Derivative instruments	-	276	-	276	276
Total Financial liabilities	-	276	251	2,521	2,521

As at 31 March 2019	FVPL	FVTOCI	Amortized Cost	Carrying amount	Fair value
Financial assets					
Trade receivables	-	-	50	50	50
Investments in Mutual funds	3,651	-	-	3,651	3,651
Derivative instruments	-	221	-	221	221
Other long-term financial assets	-	-	238	238	238
Contract Assets	-	-	-	-	-
Total Financial assets	3,651	221	288	4,160	4,160
Financial liabilities					
Borrowings	-	-	99	99	99
Non controlling interest *	-	-	-	1,954	1,954
Derivative instruments	-	9	-	9	9
Total Financial liabilities	-	9	99	2,062	2,062

The carrying amounts of short-term financial assets and financial liabilities such as trade receivables(current), contract assets (current), security deposit (current), other bank deposits, other bank balances, other current financial assets, unpaid dividend account, cash and cash equivalents, current borrowings trade payables (current), employee benefits payable, unclaimed dividends, lease liabilities and capital creditors, are considered to be the same as their fair values, due to their short term nature.

* Fair value of NCI amounting to Rs. 708 Mn (31 March 2020 Rs. 1,994 Mn, 1 April 2019 Rs. 1,954 Mn) has been measured through fair valuation by other equity. Also refer note 26 and 27.

(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 measured at fair value - recurring fair value measurements 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

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial Investments at FVPL</i>				
Mutual funds	137	-	-	137
<i>Derivatives designated as hedges</i>				
Derivative Financial Assets	-	12	-	12
<i>Financial assets at amortised costs</i>				
Trade receivables	-	383	-	383
Other long-term financial assets	-	267	-	267
Total financial assets	137	662	-	799
Financial Liability				
<i>Derivatives designated as hedges</i>				
Derivative Financial Liability	-	276	-	276
<i>Other financial liabilities</i>				
Non controlling interest	-	-	1,994	1,994
<i>Financial liabilities at amortised costs</i>				
Borrowings	-	45	-	45
Trade payable	-	206	-	206
Total financial Liability	-	527	1,994	2,521

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 1 April 2019	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial Investments at FVPL</i>				
Mutual funds	3,651	-	-	3,651
<i>Derivatives designated as hedges</i>				
Derivative Financial Assets	-	221	-	221
<i>Financial assets at amortised costs</i>				
Trade receivables	-	50	-	50
Other long-term financial assets	-	238	-	238
Contract Assets	-	-	-	-
Total financial assets	3,651	509	-	4,160
Financial Liability				
<i>Derivatives designated as hedges</i>				
Derivative Financial Liability	-	9	-	9
<i>Other financial liabilities</i>				
Non controlling interest	-	-	1,954	1,954
<i>Financial liabilities at amortised costs</i>				
Borrowings	-	99	-	99
Total financial Liability	-	108	1,954	2,062

(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 year.

(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.

Non controlling interest (Refer Note 13 and 27)

- (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 March 2021	31 March 2020	31 March 2019
Revenue (% annual growth rate)	10%	10%, 20%	20%
Budgeted operating margin (%)	25%	25%, 40%	40%
Pre-tax discount rate (%)	19.5%	9%, 19.5%	9%

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 at 31 March 2021, does not have significant impact in its value and other equity.

(iv) Movement of non controlling interest

Particulars	31-Mar-21	31-Mar-20
Opening non controlling interest *	1,994	1,954
Addition on account of acquisition	-	1,034
Additional stake acquisition payout	(1,427)	(1,362)
Fair value through other equity	141	368
Closing Non controlling interest	708	1,994

* As at 31 March 2020 for year ended 31 March 2021 and as at 01 April 2019 for year ended 31 March 2020.

(All amounts in Rs Mn unless otherwise stated)

7 **Contract assets**

	31 March 2021	31 March 2020	1 April 2019
	Current	Current	Current
Contract assets	717	1,107	653
Less: Allowance for doubtful contract assets	88	35	30
Net contract assets	629	1,072	623
Total contract assets	629	1,072	623

(All amounts in Rs Mn unless otherwise stated)

8 Employee benefit obligations Comprises of :

	31 March 2021			31 March 2020			1 April 2019		
	Current	Non Current	Total	Current	Non Current	Total	Current	Non Current	Total
Leave Obligations (i)	159	348	507	157	375	532	141	433	574
Gratuity (iii)	63	348	411	82	218	300	11	236	247
Total	222	696	918	239	593	832	152	669	821

(i) Leave Obligations

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

The following amounts reflect leave that is expected to be taken or paid within next 12 months

	31 March 2021	31 March 2020	1 April 2019
Current leave obligations expected to be settled within next 12 months	159	157	141

(ii) Defined contribution plans

The Group makes contribution towards Superannuation Fund, Pension Fund, Employee State Insurance Fund and Overseas Plans (related to the Branches in the United States of America, Ireland, Belgium and Switzerland), being defined contribution plans for eligible employees. The Group has charged the following amount in the Statement of Profit and Loss:

Amount recognized in the Statement of Profit and Loss	31 March 2021	31 March 2020
Superannuation fund paid to the Trust	16	20
Contribution plans (branches outside India)	976	853
Employees state insurance fund paid to the authorities	5	7
Pension fund paid to the authorities	125	116
Provident Fund - RPFC	29	23
Total	1,151	1,019

Defined benefit plans

The Group contributed towards defined benefit plan of Rs. 150 Mn (Previous year Rs.135 Mn) during the year to the employees provident fund trust, which has been charged to Statement of Profit and Loss.

(a) Amount of the obligation recognised in Balance Sheet :

Description	31 March 2021	31 March 2020	1 April 2019
Present value of the defined benefit obligation as at the end of the year	3,798	3,208	2,822
Fair value of plan assets at the end of the year	3,798	3,208	2,822
Liability/(Assets) recognized in the Balance Sheet	-	-	-

As the funded status is in surplus there is no need for any specific provision as at 31st March 2021 towards the Provident Fund by the Group. Hence the net liability to be recognised in the balance sheet is Rs. Nil

(All amounts in Rs Mn unless otherwise stated)

(b) Principal actuarial assumptions at the Balance Sheet date

Discount Rate	6.87%	6.70%
Return on Assets for Exempt PF Fund	6.72%	7.53%
Long term EPFO Rate	8.50%	8.50%
Expected Contribution to the fund in the next year	248	241

(iii) Gratuity

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

The gratuity plan is a funded plan and the Group makes contributions to recognized funds in India.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020

1 April 2019	556	(309)	247
Added through Acquisition	17	-	17
Current Service Cost	100	-	100
Interest expense/ (income)	38	(25)	13
Total amount recognized in profit or loss	138	(25)	113
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest	-	-	-
Actuarial changes arising from changes in demographic assumptions	(9)	2	(7)
Actuarial changes arising from changes in financial assumptions	(9)	-	(9)
Experience adjustments	(6)	1	(5)
Exchange differences	-	-	-
Total amount recognized in other comprehensive income	(24)	3	(21)
Employer's Contributions	-	(32)	(32)
Benefit payments	(117)	93	(24)
31 March 2020	570	(270)	300

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2021

	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
1 April 2020	570	(270)	300
Current Service Cost	106	-	106
Interest expense/ (income)	35	(18)	17
Total amount recognized in profit or loss	141	(18)	123
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest	-	-	-
Actuarial changes arising from changes in demographic assumptions	15	2	17
Actuarial changes arising from changes in financial assumptions	29	-	29
Experience adjustments	(22)	-	(22)
Exchange differences	-	(1)	(1)
Total amount recognized in other comprehensive income	22	1	23
Employer's Contributions	-	(7)	(7)
Benefit payments	(111)	83	(28)
31 March 2021	622	(211)	411

(All amounts in Rs Mn unless otherwise stated)

The net liability disclosed above relates to funded and unfunded plans as follows:

	31 March 2021			31 March 2020			01 April 2019		
	India	Outside India	Total	India	Outside India	Total	India	Outside India	Total
Present value of defined benefit obligation	532	-	532	483	-	483	456	-	456
Fair value of plan assets	(211)	-	(211)	(270)	-	(270)	(309)	-	(309)
Net defined benefit obligation	321	-	321	213	-	213	147	-	147
Unfunded plans	-	90	90	-	87	87	-	100	100
Total defined benefit obligation	321	90	411	213	87	300	147	100	247

Post employment benefits

The significant actuarial assumptions were as follows:

	31 March 2021		31 March 2020	
	India	Others	India	Others
Discount rate	6.49% to 6.90%	1.7% to 2.8%	6.33% to 6.8%	1.11% to 3.66%
Future salary increase	7% for next 3 years and 5% thereafter	2% to 5.25%	0% for 1st year, 7% for next 3 years and 5% thereafter	2% to 5.25%
Life expectancy	11.78 years	13.18 Years	11.78 years	13.21 Years
Rate of return on plan assets	6.49% to 6.90%	-	6.33% to 6.8%	-

Sensitivity analysis

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

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Discount rate	50 Basis Points	50 Basis Points	(28)	(24)	25	27
Salary growth rate	50 Basis Points	50 Basis Points	27	27	(28)	(25)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit

The major categories of plan assets are as follows:

	31 March 2021			31 March 2020			01 April 2019		
	Quoted	Total	%	Quoted	Total	%	Quoted	Total	%
Insurance policies and cash	211	211	100%	270	270	100%	309	309	100%

The following payments are expected contributions to the defined benefit plan in future years:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 March 2021	44	43	182	525	794
31 March 2020	35	42	158	461	696

- (iv) 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)

9 Provisions

	31 March 2021			31 March 2020			01 April 2019		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Provision for Customer Contract	3	-	3	90	-	90	181	6	187
Others	-	-	-	-	-	-	1	50	51
Total	3	-	3	90	-	90	182	56	238

(i) Information about individual provisions and significant estimates

Provision for customer contract

The group reviews the cost to complete for all significant projects at year end and a provision has been provided for the excess of cost to be incurred over balance life of the project over and above the revenue to be recognized over the balance life of the project.

(ii) Movements in provisions

Movements in each class of provisions during the year, are set out below:

	Provision for customer contracts	Others
As at 01 April 2019	187	51
Charged/ (Credited) to profit or loss:		
additional provisions recognized	-	-
amount used /adjusted during the year	97	51
unwinding of discount	-	-
As at 31 March 2020	90	-
Charged/ (Credited) to profit or loss:		
additional provisions recognized	-	-
amount used /adjusted during the year	87	-
unwinding of discount	-	-
As at 31 March 2021	3	-

The group has made provisions for the above on a best estimate of the conditions prevailing as at the year end. The final amount that would be ultimately payable would be determined only at the time of closure of respective contracts. The group does not expect any reimbursements in respect of the above provisions.

10 Other Current and Non Current Liabilities

	31 March 2021	31 March 2020	01 April 2019
Other non-current liabilities			
Payroll taxes	145	-	-
Contract liabilities	36	-	12
Total other non-current liabilities	181	-	12
Other current liabilities			
Contract liabilities	536	439	380
Payroll taxes	150	41	12
Statutory dues including provident fund and tax deducted at source	1,406	827	750
Total other current liabilities	2,092	1,307	1,142

(All amounts in Rs Mn unless otherwise stated)

11 Equity share capital
Authorized equity share capital

	Number of shares	Amount
As at 01 April 2019	77,000,000	770
Increase during the year	-	-
As at 31 March 2020	77,000,000	770
Increase during the year	-	-
As at 31 March 2021	77,000,000	770

(i) Movements in equity share capital

	Number of shares	Amount
As at 01 April 2019	61,783,874	618
Increase during the year	710,685	7
As at 31 March, 2020	62,494,559	625
Issue of Shares	54,080	1
Shares extinguished on buy back (Refer note below)	(1,956,290)	(20)
As at 31 March 2021	60,592,349	606

Terms and rights attached to equity shares

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

Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 29.

Buy back of equity shares

On February 13, 2020, the Shareholders of the Company accorded their approval for buy-back of 1,956,290 fully paid equity shares of the face value of Rs. 10/- each at a price of up to Rs. 1,725 per share aggregating to Rs. 3,375 Mn. The buy-back was consummated on June 22, 2020 and accordingly, 1,956,290 fully paid equity shares have been extinguished from the share capital of the Company with corresponding reduction in Equity Share Capital, Securities Premium Account, General Reserve and Retained Earnings amounting to Rs. 20 Mn, Rs. 1,053 Mn, Rs. 250 Mn and Rs. 2,052 Mn respectively.

	31 March 2021	31 March 2020	01 April 2019
12 Reserves and Surplus			
Capital reserves	11	11	11
Capital redemption reserve	36	17	17
Securities premium	39	1,053	614
Share options outstanding	523	83	180
General reserve	2,057	2,306	2,306
Retained earnings	20,689	19,729	16,808
Cash flow hedging reserve	77	(197)	156
Foreign currency translation reserve	882	511	-
Total reserves and surplus	24,314	23,513	20,092
(i) Capital Reserves			
Opening Balance	11	11	
Increase/ decrease during the year	-	-	
Closing Balance	11	11	
(ii) Capital redemption reserve			
Opening Balance	17	17	
Add: Increase due to buy back of equity shares	19	-	
Closing Balance	36	17	
(iii) Securities premium			
Opening Balance	1,053	614	
Add: Transferred from employee stock option	22	160	
Add: Premium on shares issued for exercised options	17	279	
Less: Decrease due to buy back of equity shares	(1,053)	-	
Closing Balance	39	1,053	

(All amounts in Rs Mn unless otherwise stated)

	31 March 2021	31 March 2020
(iv) Employee stock option		
Options granted till date	83	180
Less: Transferred to securities premium	(22)	(160)
Add: service cost for the year	462	63
Closing Balance	523	83
(v) General Reserve		
Opening Balance	2,306	2,306
Less: Decrease due to buy back of equity shares	(249)	-
Closing Balance	2,057	2,306
(vi) Retained Earnings		
Opening Balance	19,729	16,808
Net profit for the period	4,556	4,440
Add: Remeasurement gains on defined benefit plans	(9)	2
Add: Sale of subsidiary	-	(11)
Less: Impact of fair value of NCI	(36)	(42)
Less: Decrease due to buy back of equity shares including transaction cost	(2,864)	-
Less: Appropriations		
Dividend paid	(687)	(1,249)
Corporate dividend tax on above*	-	(219)
Closing Balance	20,689	19,729

*The subsidiary has declared dividend on which dividend distribution tax (DDT) was paid by the subsidiary. The Company has got credit for the same through adjustment against DDT deposited by the Company along payment of dividend to the shareholders. Considering the nature of DDT, being tax deposited on behalf of shareholders the Company has adjusted the said amount against reserves directly.

	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Total
As at 01 April 2019	156	-	156
Fair Value changes on Cash Flow Hedges, net of tax			
Increase/(decrease) during the year	(353)	511	158
As at 31 March 2020	(197)	511	314
Fair Value changes on Cash Flow Hedges, net of tax			
Increase/(decrease) during the year	274	371	645
As at 31 March, 2021	77	882	959

Also refer note 20

(All amounts in Rs Mn unless otherwise stated)

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The premium is utilized in accordance with the provisions of the Companies Act 2013.

Share options outstanding

The share options outstanding is used to recognize the grant date fair value of options issued to employees under Coforge Employee Stock Option Plan 2005 (formerly NIIT Technologies Employee Stock Option Plan 2005).

General reserve

The General Reserve is as per the requirements of Companies Act, 2013 in respect of companies incorporated in India. General reserve, if any, of overseas subsidiaries are included as part of the retained earnings.

Cash flow hedging reserve

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e., revenue, as described within Note 20. For hedging foreign currency risk, the group uses Foreign Currency Forward Contracts which are designated as Cash Flow Hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the Cash Flow Hedging Reserve. Amount recognized in the Cash Flow Hedging Reserve is reclassified to profit or loss when the hedged item effects profit and loss, under Revenue.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the foreign operations are disposed-off.

13 Non-controlling interests (NCI)

At 1 April 2019	75
Add : Non-controlling share in the results for the year	236
Add:Acquisition of Whishworks (Refer note 26)	1,034
Less: sale of subsidiary	(73)
Less : Derecognition of NCI to Financial liability	(1,272)
At 31 March 2020	-
Add : Non-controlling share in the results for the year	104
Less : Derecognition of NCI to Financial liability	(104)
At 31 March, 2021	-

(All amounts in Rs Mn unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
14 Revenue from operations		
Sales of products	3,636	459
Sale of services	42,992	41,380
Total revenue from operations	46,628	41,839
Revenue from operations include gain/ (loss) on account of hedge amounting to Rs. (31 Mn) and Rs 235 Mn for year ended 31 March 2021 and 31 March 2020 respectively		
Timing of revenue recognition		
Goods transferred at a point in time	3,636	459
Services transferred over time	42,992	41,380
Total revenue from operations	46,628	41,839

14 (a)

(i) **Disaggregate revenue information**

Refer note 25(b) for geographical revenue disaggregation. In addition the group maintain revenue by verticals:

The table below presents disaggregated revenues from operations by verticals:

Vertical	Year ended 31 March 2021	Year ended 31 March 2020
Banking and financial services	8,135	6,754
Insurance	15,135	12,694
Travel, transportation and hospitality	8,989	11,666
All Others	14,369	10,725
Total Revenue	46,628	41,839

(ii) **Revenue by Service line**

	Year ended 31 March 2021	Year ended 31 March 2020
Application Development and Maintenance	12,496	13,556
Cloud and Infrastructure	9,652	7,322
Business Process Management	793	962
Product Engineering	7,321	6,234
Data & Integration	9,372	7,657
Intelligent Automation	6,994	6,108
Total Revenue	46,628	41,839

(iii) **Revenue by Project type**

	Year ended 31 March 2021	Year ended 31 March 2020
Time-and-material	21,449	21,756
Fixed-price*	25,179	20,083
Total Revenue	46,628	41,839

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

(iv) **Particulars pertaining to contract assets [Refer note 7]**

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning	1,072	623
Contract assets classified to trade receivable upon billing to customer out of opening contract assets	1,026	540

Also refer note 6(a) for trade receivables and note 10 for contract liability

(v) **Particulars pertaining to contract liability (Refer note 10)**

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning	403	390
Revenue recognized during the year from opening contract liability	403	377

(vi) **Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 15, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, fixed monthly / fixed capacity basis and transaction basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2021, other than those meeting the exclusion criteria mentioned above, is Rs. 4,254 Mn (Previous year Rs. 1,596 Mn, 1 April 19 Rs. 1,182 Mn). Out of this, the Group expects to recognize revenue of around Rs. 2,128 Mn (Previous year Rs. 1,512 Mn, 1 April 19 Rs. 1,024 Mn) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty. Generally, customers have not terminated contracts without cause.

(vii) **Payment terms**

Majority of the Group's revenue involve payment terms less than one year from the date of satisfaction of performance obligation. However, in case of contracts for grant of right of use for license, payments are due over license period. In these cases, the Group has identified that the contract contains significant financing component.

(All amounts in Rs Mn unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
15 Other income, net		
Net gain on sale of investments		
Dividend income from investment in mutual funds	-	12
Interest Income from financial assets at amortised cost	109	93
Gain on exchange fluctuations (net)	-	174
Gain on sale of Investments in equity instruments	-	116
Income on Financial Investments at fair value through profit and loss		
Mutual funds	8	188
Miscellaneous income [Refer note 6(a)]	209	151
Total other income	326	734
16 Employee benefits expense		
Salaries, wages and bonus [Refer note (a) below]	26,062	23,691
Contribution to provident (and other) funds (Refer note 8)	1,303	1,151
Employee share-based payment expense (Refer note 29)	464	63
Gratuity (Refer note 8)	145	103
Staff welfare expenses	184	290
Total employee benefit expense	28,158	25,298
(a) Salaries, wages and bonus includes transaction related expenses Nil (Previous Year Rs. 195 mn)		
17 Depreciation and amortization expense		
Depreciation of property, plant and equipment [Refer note 3(a)]	638	623
Depreciation of right of use assets [Refer note 3(b)]	291	283
Amortisation of intangible assets [Refer note 3(c) and 18(a)]	907	864
Total Depreciation and amortization expense	1,836	1,770
18 Other Expenses		
Facility related expenses	840	864
Communication expenses	229	268
Legal and professional	770	931
Travelling and conveyance	197	1,277
Recruitment expenses	227	313
Insurance premium	78	76
Loss on exchange fluctuations (net)	106	-
Allowance for doubtful debts - trade receivables and contract assets [Refer note (a) below and 21(b)]	384	172
Loss on sales of assets (net)	16	13
Expenditure towards Corporate Social Responsibilities activities	81	56
Marketing expenses	123	318
Transaction related expenses	46	40
Miscellaneous expenses	318	267
	3,415	4,595
(a) Allowance for doubtful debts - trade receivables and contract assets include allowance for doubtful debts recorded due to Covid-19 amounting Rs 180 Mn for year ended 31 March 2021 (31 March 2020 Rs. 88 Mn)		
19 Finance costs		
Interest on borrowings	15	5
Bank and financial charges	36	36
Unwinding of discounts on lease liability and others	92	114
Finance costs expensed in profit or loss	143	155

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Group are broadly categorised into employee benefit expenses, cost of hardware and third-party software for service delivery to clients, sub-contracting/ technical fees, depreciation and amortisation expense and other expenses. Other expenses mainly include fees paid to external consultants, facility related expenses, travel expenses, communication expenses, insurance expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net), marketing expenses and miscellaneous expenses. Facility related expenses include lease rentals, electricity charges, repair & maintenance and other related costs. Cost pertaining to shareholders activity/ mergers and acquisitions is classified as transaction cost

(All amounts in Rs Mn unless otherwise stated)

20 Hedging activities and derivatives

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk of operating activities by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 March 2021, the Company hedged 75% (31 March 2020: 75%), of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The Group is holding the following foreign exchange forward contracts (highly probable forecasted sales)

As at 31 March 2021

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 month	Total
USD /INR						
Notional amount (INR)	590	1,149	1,448	1,366	1,193	5,746
Average forward rate	78	78	77	77	76	77
GBP /INR						
Notional amount (INR)	165	477	592	521	446	2,201
Average forward rate	97	98	100	102	105	101
EUR /INR						
Notional amount (INR)	37	86	110	96	84	413
Average forward rate	88	89	91	82	93	91
AUD /INR						
Notional amount	17	47	60	57	51	232
Average forward rate	54	55	56	57	59	56

As at 31 March 2020

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 month	Total
USD /INR						
Notional amount (INR)	520	1,114	1,430	1,373	1,161	5,598
Average forward rate	72	75	74	74	73	74
GBP /INR						
Notional amount (INR)	149	517	587	428	366	2,047
Average forward rate	94	93	93	97	97	95
EUR /INR						
Notional amount (INR)	37	120	141	100	90	488
Average forward rate	83	83	84	84	85	84
AUD /INR						
Notional amount	13	45	65	-	-	123
Average forward rate	45	46	47	-	-	46

As at 31 March 2019

Particulars	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 month	Total
USD /INR						
Notional amount (INR)	463	991	993	1,232	1,304	4,983
Average forward rate	70	71	73	75	73	73
GBP /INR						
Notional amount (INR)	126	249	223	314	348	1,260
Average forward rate	96	95	96	99	96	97
EUR /INR						
Notional amount (INR)	39	76	69	97	107	388
Average forward rate	86	85	86	89	85	86
AUD /INR						
Notional amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	-

The impact of the hedging instruments on the balance sheet is, as follows:

Foreign exchange forward contracts	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
At 31 March 2021	8,592	106	Derivative instruments under current financial assets / liabilities	-
At 31 March 2020	8,256	(264)	Derivative instruments under current financial assets / liabilities	-
At 1 April 2019	6,629	212	Derivative instruments under current financial assets / liabilities	-

(All amounts in Rs Mn unless otherwise stated)

Impact of hedging activities

(a) Breakup of carrying amount of hedge instruments

31-Mar-21			
	Carrying amount of hedging instrument		Maturity period
	Assets	Liabilities	
Cash flow hedge Foreign exchange risk Foreign exchange forward contracts	167	61	April 2021 to March 2022

31-Mar-20			
	Carrying amount of hedging instrument		Maturity Period
	Assets	Liabilities	
Cash flow hedge Foreign exchange risk Foreign exchange forward contracts	12	276	April 2020 to March 2021

1-Apr-19			
	Carrying amount of hedging instrument		Maturity Period
	Assets	Liabilities	
Cash flow hedge Foreign exchange risk Foreign exchange forward contracts	221	9	April 2019 to March 2020

(b) Disclosure of effects of hedge accounting on financial performance

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income*		Amount reclassified from cash flow hedging reserve to profit or loss		Line item affected in statement of profit and loss because of the reclassification	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Cash flow hedge Foreign exchange risk	274	(353)	(31)	235	Revenue

*The resultant impact on the cash flow hedge reserve for the year ended March 31, 2021 and March 31, 2020; on account of changes in the fair value has been reconciled in Note No. 12.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

21 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The borrowing of the Group constitute loan taken only for vehicle purchased. All the repayments are made out of internal accruals. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support their operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations. The Group also holds fair value through profit and loss investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken and derivatives are used exclusively for hedging purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market Risk

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

-Interest rate risk

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

There are no significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk (Refer note 19)

- Foreign currency risk

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

(All amounts in Rs Mn unless otherwise stated)

Unhedged foreign currency exposure

Non-derivative foreign currency exposure as of 31 March, 2021, 31 March 2020 and 1 April 19 in major currencies is as below:

Currencies	Net financial Assets		
	31 March 2021	31 March 2020	1 April 2019
USD/INR	1,161	1,917	1,635
GBP/INR	762	814	246
EURO/INR	186	157	142
AUD/INR	151	105	141

Currencies	Net financial Liabilities		
	31 March 2021	31 March 2020	1 April 2019
USD/INR	68	131	25
GBP/INR	-	-	-
EURO/INR	-	-	-
AUD/INR	1	-	-

a) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Currencies	Impact on Profit after Tax		Impact on other components of equity(excluding impact through Profit and Loss)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD Sensitivity				
INR/USD - Increase by 3% (31 March 2020 - 3%)*	12	42	3	(6)
INR/USD - Decrease by 3% (31 March 2020 - 3%)*	(12)	(42)	(3)	6
EUR Sensitivity				
INR/EUR - Increase by 3% (31 March 2020 - 3%)*	9	6	0	(1)
INR/EUR - Decrease by 3% (31 March 2020 - 3%)*	(9)	(6)	(0)	1
GBP Sensitivity				
INR/GBP - Increase by 3% (31 March 2020 - 3%)*	24	24	(2)	(1)
INR/GBP - Decrease by 3% (31 March 2020 - 3%)*	(24)	(24)	2	1
AUD Sensitivity				
INR/AUD - Increase by 3% (31 March 2020 - 3%)*	3	3	(0)	(1)
INR/AUD - Decrease by 3% (31 March 2020 - 3%)*	(3)	(3)	0	1

*Holding all other variables constant

b) Credit Risk

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

Trade Receivables

The customers of the Group are primarily corporations based in the United States of America and Europe and accordingly, trade receivables are concentrated in the respective countries. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. The Group has used the expected credit loss model to assess the impairment loss or gain on trade receivables and contract assets, and has provided it wherever appropriate. In calculating expected credit loss, the Group has also taken into account estimates of possible effect from the pandemic relating to COVID -19 and has recorded provision of Rs. 180 Mn (31 March 2020 Rs. 55 Mn) and Nil (31 March 2020 Rs. 33 Mn) against outstanding receivables and contract assets respectively against one of its customer related to travel industry.

The following table gives the movement in allowance for expected credit loss for the year ended March 31, 2021:

	31 March 2021	31 March 2020
Balance at the beginning	783	655
Impairment loss recognized	385	172
Transfer from provision for customer contract	87	-
Amounts written off	(262)	(44)
Balance at the end	993	783

Financial instruments and cash deposits

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

c) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no major outstanding borrowings except small borrowings in form of term loans for vehicles and working capital limits from banks. The term loans are secured against hypothecation of the vehicles [refer note 6(d)], and working capital limit is secured by a first charge on the book debts of the Group and by a second charge on movable assets of the Group. However, the Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

d) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021:-

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-8 Years	Total
Borrowings	7	3	-	-	10
Trade Payables	3,398	206	44	75	3,723
Lease Liability	268	198	233	117	816
Other Financial Liabilities (excluding Borrowings)	2,435	-	-	-	2,435
	6,108	407	277	192	6,984

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020:-

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-8 Years	Total
Borrowings	302	45	-	-	347
Trade Payables	2,634	103	33	70	2,840
Lease Liability	317	223	318	120	978
Other Financial Liabilities (excluding Borrowings)	3,053	589	-	-	3,642
	6,306	960	351	190	7,807

The table below provides details regarding the contractual maturities of significant financial liabilities as of 01 April 2019:-

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-8 Years	Total
Borrowings	34	24	72	3	133
Lease Liability	280	272	377	252	1,181
Trade Payables	1,647	-	-	-	1,647
Other Financial Liabilities (excluding Borrowings)	2,674	538	-	-	3,212
	4,635	834	449	255	6,173

22 Capital Management**a) Risk management**

For the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the shareholders. The primary objectives of the Group's capital management are to maximise the shareholder value and safeguard their ability to continue as a going concern. The Group has no major outstanding borrowings except small borrowings in form of term loans for vehicles and working capital limits from banks. The term loans are secured against hypothecation of the vehicles [refer note 6(d)] and working capital limit is secured by a first charge on the book debts of the Group and by a second charge on movable assets of the Group. The Group has complied with the financial covenants attached with above stated borrowings throughout the reporting period. The funding requirements are generally met through operating cash flows generated. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

b) Dividends

	31 March 2021	31 March 2020
(i) Equity Shares		
Final dividend paid for the year ended 31 March 2020 of Rs. 11 per share	687	-
(ii) Interim dividend paid for the year ended 31 March 2021 of Rs. Nil (31 March 2020 - 20) per share	-	1,249
(iii) Dividends not recognised at the end of reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of Interim dividend of Rs. 13 per fully paid up equity share (31 March 2020 - Rs. 11 per share).	788	687

23 Group Information(i) *Interest in Subsidiaries*

The Company's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the company and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

(ii) There are no subsidiaries having material non controlling interest

Sr. No.	Name	Place of business/ country of incorporation	Ownership interest held by the Company			Ownership interest held by the Non controlling interest			Principal Activities
			31 March 2021	31 March 2020	01 April 2019	31 March 2021	31 March 2020	01 April 2019	
Direct subsidiaries									
1	Coforge SmartServe Limited (formerly NIIT SmartServe Limited)	India	100	100	100	-	-	-	Software development
2	Coforge Services Limited (formerly NIIT Technologies Services Limited)	India	100	100	100	-	-	-	Software development
3	Coforge U.K. Limited (formerly NIIT Technologies Limited)	United Kingdom	100	100	100	-	-	-	Software development
4	Coforge Pte Limited (formerly NIIT Technologies Pacific Pte Limited)	Singapore	100	100	100	-	-	-	Software development
5	Coforge DPA Private Limited (formerly NIIT Incessant Private Limited)	India	100	100	90	-	-	10	Software development
6	Coforge GmbH(formerly NIIT Technologies GmbH)	Germany	100	100	100	-	-	-	Software development
7	Coforge Inc. (formerly NIIT Technologies Inc)	USA	100	100	100	-	-	-	Software development
8	Coforge Airline Technologies GmbH (formerly NIIT Airline Technologies GmbH)	Germany	100	100	100	-	-	-	Software development
9	Coforge FZ LLC(formerly NIIT Technologies FZ LLC)	Dubai	100	100	100	-	-	-	Software development
10	NIIT Technologies Philippines Inc (under liquidation)	Philippines	100	100	100	-	-	-	Software development
12	WHISHWORKS IT Consulting Private Limited, India	India	81.40	57.60	-	18.60	42.40	-	Software development
13	ESRI India Technologies Limited (till May 13, 2019)	India	-	-	88.99	-	-	11.01	
Stepdown subsidiaries									
14	Coforge BV (formerly NIIT Technologies BV) (Wholly owned by Coforge U.K. Ltd.)	Netherlands	100	100	100	-	-	-	Software development
15	Coforge Limited (formerly NIIT Technologies Ltd) (Coforge Pte Ltd., Singapore)	Thailand	100	100	100	-	-	-	Software development
16	Coforge Technologies (Australia) Pty Limited (formerly NIIT Technologies Pty Ltd) (Wholly owned by Coforge Pte Ltd., Singapore)	Australia	100	100	100	-	-	-	Software development
17	Coforge Advantage Go (formerly NIIT Insurance Technologies Limited) (Wholly owned by Coforge U.K. Ltd., UK)	United Kingdom	100	100	100	-	-	-	Software development
18	Coforge S.A. (formerly NIIT Technologies S.A.) (Wholly owned by Coforge U.K. Ltd.)	Spain	100	100	100	-	-	-	Software development
19	Coforge BPM Inc. (formerly RuleTek LLC) (80% owned Coforge DPA Private Limited, India and 20% by Coforge DPA NA Inc. USA)	USA	100	80	67.5	-	20	33	Software development
20	Coforge DPA UK Ltd. (formerly Incessant Technologies. (UK) Limited) (Wholly owned by Coforge DPA Private Ltd.)	United Kingdom	100	100	90	-	-	10	Software development
21	Coforge DPA Ireland Limited (formerly Incessant Technologies (Ireland) Ltd., (Ireland) (Wholly owned by Coforge DPA Private Ltd.)	Ireland	100	100	90	-	-	10	Software development
22	Coforge DPA Australia Pty Ltd. (formerly Incessant Technologies (Australia) Pty Ltd.) (Wholly owned by Coforge DPA Private Ltd.)	Australia	100	100	90	-	-	10	Software development
23	Coforge DPA NA Inc. USA (formerly Incessant Technologies NA Inc.) (Wholly owned by Coforge DPA Private Ltd.)	USA	100	100	90	-	-	10	Software development
24	WHISHWORKS Limited, UK (Wholly owned by Wishworks IT Consulting Private Limited, India)	United Kingdom	81.40	57.60	-	18.60	42.4	-	Software development
25	Coforge SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA (formerly NIIT Technologies Spółka Z Ograniczona Odpowiedzialnoscia) (Wholly owned by Coforge U.K. Ltd., UK,	Poland	100	-	-	-	-	-	Software development
26	Coforge S.R.L., Romania (formerly NIIT Technologies S.R.L.) (Wholly owned by Coforge U.K. Limited, w.e.f. August 25, 2020)	Romania	100	-	-	-	-	-	Software development
27	Coforge A.B. Sweden (formerly NIIT Technologies A.B.) (wholly owned by Coforge U.K. Limited, w.e.f. September 07, 2020)	Sweden	100	-	-	-	-	-	Software development
28	Coforge SDN. BHD. Malaysia (formerly NIIT Technologies SDN. BHD), (Wholly owned by Coforge Pte Ltd., Singapore, w.e.f. June 25, 2020)	Malaysia	100	-	-	-	-	-	Software development

(All amounts in Rs Mn unless otherwise stated)

24 Related party transactions

Coforge Limited's principal related parties consist of holding Company 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.

Ultimate Holding Company

Baring Private Equity Asia GP VII, LP, Cayman (w.e.f. May 17, 2019)

Holding Company

Hulst B.V., Netherlands (w.e.f. May 17, 2019)

Interest in Subsidiaries

Refer note 23.

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

a) Parties of whom the Group is an associate and their subsidiaries/associates (till May 17, 2019)

NIIT Limited (Includes Scantech Evaluation Services Limited and Evolve Services Limited)

NIIT USA Inc.

NIIT Sdn Bhd, Malaysia

Scantech Evaluation Services Limited

NIIT Limited, UK

Evolve Services Limited

NIIT Institute of Finance Banking and Insurance Training Ltd

NIIT China (Shanghai) Ltd

b) Key managerial personnel

Executive Officers

Sudhir Singh, Executive Director & Chief Executive Officer

Ajay Kalra, Chief Financial Officer

Madan Mohan, Executive Vice President

Gautam Samanta, Executive Vice President

Anurag Chauhan, Executive Vice President

Sanjay Mal, Chief Financial Officer (till November 12, 2019)

Directors

Sudhir Singh, Executive Director & Chief Executive Officer

Patrick John Cordes, Non Executive Director

Kenneth Tuck Kuen Cheong, Non Executive Director

Hari Gopalakrishnan, Non Executive Director

Ashwani Puri, Non Executive Director

Basab Pradhan, Non Executive Director

Holly J. Morris, Non Executive Director

Kirti Ram Hariharan, Non Executive Director

Rajendra S Pawar, Chairman (till May 17,2019)

Vijay K Thandani, Non Executive Director (till May 17,2019)

Arvind Thakur, Vice Chairman and Managing Director (till May 17,2019)

c) Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested (till May 17, 2019)

Naya Bazar Novelties Private Limited

NIIT Institute of Information Technology

Indian School of Business

NIIT University

NIIT Foundation

d) Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested

Titan Company Limited

e) List of other related parties

Particulars	Country	Nature of relationship
Coforge Limited Employees Provident Fund Trust (formerly NIIT Technologies Limited Employees Provident Fund Trust)	India	Post-employment benefit plan
Coforge Limited Employees Group Gratuity Scheme (formerly NIIT Technologies Limited Employees Group Gratuity Scheme)	India	Post-employment benefit plan
Coforge Limited Employees Superannuation Scheme (formerly NIIT Technologies Superannuation Scheme)	India	Post-employment benefit plan

Refer to Note 8 for information and transactions with post-employment benefit plans mentioned above

(All amounts in Rs Mn unless otherwise stated)

B Details of transaction with related parties:

Nature of Transactions	Holding Company	Parties in whom the Group is an associate and their subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Group are interested	Total
Receiving of Services	-	-	-	-	-
	-	(3)	-	-	(3)
Rendering of Services	-	-	-	5	5
	-	(29)	-	-	(29)
Dividend Paid	482	-	-	-	482
	(876)	-	-	-	(876)
Donations paid	-	-	-	-	-
	-	-	-	(53)	(53)

Figures in parenthesis represent Previous Year's figures

C. 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	Year ended 31 March 2021	Year ended 31 March 2020
Short term employee benefits	199	341
Commission & sitting fees	21	27
Post employment benefits*	11	52
Long term employee benefits	-	-
Termination benefits	-	-
Remuneration paid	231	420
Share based payment expenses	355	52
Total of compensation	586	472

*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.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

D. Key Managerial Personnel interests in the Senior Executive Plan

Share options held by Key Managerial Personnel of the Company's Stock Option Plan 2005 to purchase Equity shares have the following expiry dates and exercise prices:

Grant year	Expiry date	Exercise price	Closing option as at	
			31 March 2021	31 March 2020
FY 16-17	14 Jul 21 to 17 Jul 22	593.65	-	10,000
FY 17-18	31 Dec 21 to 31 Dec 24	10 to 706.05	9,000	9,000
FY 18-19	4 Sep 22 to 4 Sep 24	10 to 1364.4	63,020	85,220
FY 19-20	31 Dec 21 to 29 Mar 32	10	972,620	990,490
			1,044,640	1,094,710

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to note 29 for further details on the scheme.

E. Outstanding balances with related parties:

Particulars	Receivables as at 31 March 2021	Receivables as at 31 March 2020	Receivables as at 01 April 2019	Payables as at 31 March 2021	Payables as at 31 March 2020	Payables as at 01 April 2019
Parties in which the key managerial personnel or the relatives of the key managerial personnel are interested	2	-	20	-	-	2
Parties in which Key Managerial Personnel are interested	-	-	-	-	-	-
Key Managerial Personnel	-	-	-	-	-	-

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)

25 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) Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations		
Americas	22,236	20,040
Europe, Middle East and Africa	17,181	15,638
Asia Pacific	4,036	3,817
India	3,175	2,344
Total	46,628	41,839
Adjusted earnings before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA)		
Americas	3,866	3,543
Europe, Middle East and Africa	3,604	3,621
Asia Pacific	408	335
India	(13)	(302)
Total	7,865	7,197
Depreciation and amortization	1,836	1,770
Event based impairments	180	88
Event based recoveries	-	57
Other income (net)	113	558
Profit before tax	5,962	5,954
Provision for tax	1,302	1,278
Profit after tax	4,660	4,676

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 14 (a).

Information about major customers

No client individually accounted for more than 10% of the revenue from operations for the year ended 31 March 2021 and 31 March 2020

(a) Summary of acquisition

On April 6, 2019, the Company executed a Share Purchase Agreement with shareholders of WHISHWORKS IT Consulting Private Limited (“WHISHWORKS”) for acquisition of 57.6% stake in WHISHWORKS.

The agreement was subject to certain approvals and substantive pre-conditions. Upon receipt of these approvals and completion of pre-conditions, the agreement became effective on June 15, 2019. Hence, June 15, 2019 is the acquisition date and WHISHWORKS results were consolidated from the said date. The Company also recorded transferred identifiable assets (tangible and intangible) basis fair valuation at the same date. The Group acquired WHISHWORKS to grow the digital integration business.

The Group has call and put option to acquire the remaining 42.4% stake of WHISHWORKS in two tranches as specified in the agreement. These options are exercisable at a price representative of fair value of the underlying shares at the option exercise date. Considering this and other terms of the agreement, the management has determined that the Group does not have present access to ownership interest for the shares underlying the call and put option. Accordingly, the Group continues to recognise non-controlling interest (NCI) for 42.4% shares. The Group has elected to measure NCI interest at its fair value. The Group has used price paid for 57.6% shares as starting point to arrive at fair value for remaining 42.4% NCI stake. Considering relative size of the shares and protective rights available to NCI interest, the management believes such determination is appropriate. After recording NCI interest, the Group has accounted for put option liability as per the policy explained in note 1 (s).

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

Purchase consideration	Amount
Cash paid for acquisition of 57.6% stake	1,494
Total purchase consideration	1,494

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	46
Other non current assets	38
Current assets	795
Non current liabilities	(47)
Current liabilities	(608)
Deferred tax assets/ (liabilities)	(196)
Identified intangible assets	
Brand	200
Customer contracts/ relationships / Order Backlog	620
Non-compete fees	85
Net identifiable assets and liabilities	933

Calculation of goodwill	Fair value
Total Purchase consideration (A)	1,494
Fair value of non-controlling interest (B)	1,034
Net identifiable assets acquired (C)	933
Goodwill (A+B-C)	1,595

The goodwill is attributable to the workforce and expected synergies of acquired business, which are not separately recognised. Goodwill is allocated to EMEA and India 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.

(All amounts in Rs Mn unless otherwise stated)

(i) Acquired receivables

The Group has acquired receivables having gross contractual amount and net carrying amount of Rs. 266 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 March 2020 as follows:

- (a) Revenue of Rs. 1,643 Mn and profit of Rs. 216 Mn (after NCI) for the period 15 June 2019 to 31 March 2020.
 (b) If the acquisitions had occurred on 1 April 2019, consolidated pro-forma revenue and profit for the year ended 31 March 2020 would have been increased/(decreased) by Rs. 297 Mn and Rs. (39) Mn respectively.

(b) Purchase consideration - cash outflow

	Amount
<i>Outflow of cash to acquire subsidiary, net of cash acquired</i>	
Cash consideration	1,494
Less: balances acquired	
Cash and Bank	238
Net outflow of cash – investing activities	1,256

(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

Basis the call and put option as accounted for in accordance with the accounting policy [note 1(s)], the movement of NCI of WHISHWORKS is as follows:

At 1 April 2019	-
Acquisition date fair value	1,034
Add : Non-controlling share in the results for the year	159
Less: payment to owners	-
Add/(less): Fair valuation impact of put option liability	80
At 31 March 2020	1,273
Add : Non-controlling share in the results for the year	89
Less: payment to owners	(689)
Add/(less): Fair valuation impact of put option liability	35
At 31 March, 2021	708

27 (a) Acquisition of second tranche in Coforge BPM Inc. (formerly Ruletek LLC)

The Group during year ended March 31, 2018 acquired 55 % in Coforge BPM Inc. with call and put option to acquire the remaining 45 % over the period of 3 years. As at April 1, 2019, the Group held 67.5%, as at March 31, 2020 80%, and as at March 31, 2021, the Group holds 100% of shareholding. The movement of NCI is as follows:

At 1 April 2019	944
Add : Non-controlling share in the results for the year	79
Less: payment to owners	(409)
Add/(less): Fair valuation impact of put option liability	106
At 31 March 2020	720
Add : Non-controlling share in the results for the year	15
Add/(less): Fair valuation impact of put option liability	(13)
Less: payment to owners	(722)
At 31 March, 2021	-

(All amounts in Rs Mn unless otherwise stated)

28 Assets held for sale / sale of subsidiary

As at March 31, 2019, the Group was holding 88.99% shareholding in ESRI India Technologies Limited (ESRI India), forming part of India segment. During March 2019, ESRI Inc., USA (11.01% Shareholder of ESRI India) expressed its interest by offering to purchase Company's entire holding of 8,90,000 equity shares of the face value of INR 10 each, at a consideration of Rs. 897 Mn. The Group had accepted the expression of interest and in-principle agreed for sale. Pursuant to the Share Purchase agreement dated April 6, 2019, the Group sold its entire stake of 88.99% shareholding in ESRI India to ESRI Inc., USA on May 13, 2019.

The Group, as at March 31, 2019, classified the assets of ESRI India amounting to Rs. 1,144 Mn and liabilities of Rs. 333 Mn as asset held for sale.

Financial information relating to above mentioned transaction are as follows

Details of the sale of subsidiary

Consideration received	Amount
Cash	897
Carrying amount of net assets sold	801
Gain on sale before income tax (included under the head other income)	96

- a. The major classes of assets and liabilities of Esri India Technologies Limited were classified as held for sale as at 1 April 2019 and as on date of sale i.e. May 13, 2019 are, as follows:

	13-May-19	1-Apr-19
Assets		
Property, plant and equipment	-	33
Cash and cash equivalents	-	115
Other current and non current assets	-	996
Assets classified as held for sale	-	1,144
Liabilities		
Other current and non current liabilities	-	333
Liabilities directly associated with assets classified as held for sale	-	333
Net assets directly associated with disposal group	-	811

b. Carrying amount of net assets sold

Net Carrying value as on 1 April 2019	811
Less: Loss for the period 1 Apr 2019 to 13 May 2019	10
Carrying amount of net assets sold as on 13 May 2019	801

From the Group perspective, ESRI India does not represent a major line of business or geographical area of operations. Accordingly, the same has not been considered as a discontinued operations.

(All amounts in Rs Mn unless otherwise stated)

29 Employees' Stock Option Plans (ESOP)

(a) Employee stock option plan

The establishment of the Coforge Employee Stock Option Plan 2005 (formerly NIIT Technologies Employee Stock Option Plan 2005) (ESOP 2005) was approved by the shareholders in the annual general meeting held on 18 May, 2005. The ESOP 2005 is designed to offer and grant share-based payments for the benefit of employees of the Company and its subsidiaries, who are eligible under Securities Exchange Board of India (SEBI) Guidelines (excluding promoters). The ESOP 2005 allowed grant of options of the Group in aggregate up to 3,850,000, in one or more tranches. During the previous year the company had added 900,000 additional option in the existing ESOP plan over and above earlier options issued by the Company. Under the plan, participants are granted options which vest upon completion of such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of law or guidelines issued by the relevant authorities in this regard.

Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. As per the plan each option is exercisable for one equity share of face value of Rs 10 each fully paid up on payment to the Group for such shares at a price to be determined in accordance with ESOP 2005. Hence, the plan is equity settled for the Group.

Set out below is a summary of options granted under the plan:

	31 March 2021		31 March 2020	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Opening balance	69.02	1,719,230	436.32	968,340
Granted during the year	10.00	32,875	10.00	1,532,230
Exercised during the year *	315.56	54,080	401.96	710,685
Forfeited/ lapsed during the year	187.62	123,532	474.14	70,655
Closing balance	50.02	1,574,493	69.02	1,719,230
Vested and exercisable		261,303		98,520

* The weighted average share price at the date of exercise of the options exercised during the year ended 31 March 2021 was Rs. 1,976.04 (31 March 2020- Rs. 1,451.95)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 3.31 years (31 March 2020: 3.78 years)

The weighted average fair value of options granted during the year was Rs. 1,681 (31 March 2020: Rs. 1,053.65).

The range of exercise prices for options outstanding at the end of the year was Rs. 10 to Rs. 1048.90 (31 March 2020: Rs. 10 to Rs. 1,364.40) with vesting condition related to service period and performance.

ii) Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Year	Vesting conditions	Vesting Date	Expiry date	Exercise price	Fair Value at the grant date	Share options outstanding as at		
						31 March 2021	31 March 2020	1 April 2019
2014-15	Service	09-May-16 to 15-Oct-19	09-May-19 to 15-Oct-22	374.05 to 409.75	102.45 to 135.48	-	-	135,000
2015-16	Service	19-Oct-16 to 09-Aug-19	19-Oct-19 to 19-Oct-23	493.6 to 493.6	125.33 to 186.89	-	-	200,000
2016-17	Service	20-Jun-17 to 20-Jun-21	20-Jun-20 to 20-Jun-24	10 to 534.3	136.04 to 486.55	-	35,130	331,430
2017-18	Service	23-Jun-18 to 23-Jun-21	23-Jun-21 to 23-Jun-24	10 to 706.05	175.54 to 667.05	68,000	77,950	150,900
2018-19	Service	23-May-19 to 20-Mar-22	23-May-22 to 20-Mar-25	10 to 1364.4	296.72 to 1319.16	48,720	73,920	151,010
2019-20	Service and service/ performance	31-Mar-21 to 29-Mar-27	31-Dec-21 to 29-Mar-32	10	879.3 to 1183.04	1,424,898	1,532,230	-
2020-21	Service and service/ performance	30-Sept-21 to 30-Sept-25	31-Dec-21 to 31-Dec-25	10	915.67 to 2571.87	32,875	-	-
Total						1,574,493	1,719,230	968,340

(i) Fair value determination of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

Grant Year	Market Price at the grant date	Fair Value at grant date	Exercise Price	Volatility*	Average Life of the Options (in Years)	Risk Less Interest Rate	Dividend yield rate
FY 2019-20	1,147.75 to 1,239.55	879.3 to 1,183.04	10	34% to 42.48%	1.38 to 9.5	4.82% to 6.53%	2.74%
FY 2020-21	1,101.85 to 2,554.45	915.67 to 2,571.87	10	34.67% to 49.93%	1.5 to 5	3.76% to 6.25%	2.12% to 2.74%

* The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome

(All amounts in Rs Mn unless otherwise stated)

(b) Stock appreciation rights

In financial year 2018-19, the Group issued the stock appreciation rights, liability for which is measured initially and at the end of each reporting period until settled, at the fair value of the SARs by applying a Black Scholes model, taking into account the terms and conditions on which the SARs were granted and the extent to which the employees have rendered services to date. The carrying amount of the liability relating to the SARs at 31 March 2021 was Rs 43 Mn (31 March 2020: Rs 9 Mn) and expense recognised during the year Rs 34 Mn (31 March 2020: Rs 5 Mn). No SARs had vested at 31 March 2021 and 31 March 2020, respectively.

(c) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	<u>31 March 2021</u>	<u>31 March 2020</u>
Expense arising from equity-settled share-based payment transactions	464	63

30 Earnings per Share

	Year ended March 31, 2021 In USD	Year ended March 31, 2021 In INR	Year ended March 31, 2020 In INR
	Refer note 2(b)		
(a) Basic earnings per equity share of Rs 10 each Attributable to the equity holders of the Company (Rs. Per share)	1.01	74.68	71.39
(b) Diluted earnings per equity share of Rs 10 each Attributable to the equity holders of the Company (Rs. Per share)	0.99	73.29	70.97
(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	4,556	4,440
<i>Diluted earnings per share</i>			
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	61	4,556	4,440
(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)	61,007,773	61,007,773	62,192,226
Adjustments for calculation of diluted earnings per share:			
Dilutive impact of stock options outstanding (numbers)	1,158,187	1,158,187	370,803
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (numbers)	62,165,960	62,165,960	62,563,029

(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. Details relating to the options are set out in note 29.

(All amounts in Rs Mn unless otherwise stated)

31 Subsequent event

a. Acquisition of first and second tranche in SLK Global

Subsequent to the year end, the Group made a strategic investment in M/s SLK Global Solutions Private Limited (the "Investee Company") 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. 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 at a price representative of the fair value. On acquisition, the Group recorded identifiable assets basis preliminary fair valuation as the Group is in process of concluding the fair valuation assessment.

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 assets and liabilities recognised as a result of the acquisition are as follows (provisional):

	Fair value
Identified tangible assets and liabilities	
Property, plant and equipment	761
Right of Use Asset	325
Other Assets	157
Net Current assets	1,067
Cash and bank balances	739
Acquired liabilities	(173)
Lease Liability	(358)
Deferred tax assets	92
Identified intangible assets	
Customer Contract and related Relationships	3,100
Non-compete fees	48
Deferred tax liabilities	(685)
Net identifiable assets and liabilities	5,073

Calculation of goodwill	Fair value
Total Purchase consideration (A)	9,201
Fair value of NCI (B) (40%)	2,029
Net identifiable assets and liabilities (C)	5,073
Goodwill (A+B-C)	6,157

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.

(b) 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.

(c) 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	8,444

Transition to IFRS**These are the Company's first financial statements prepared in accordance with IFRS.**

The Group's consolidated financial statements (CFS) for the year ended 31 March 2021 are the first annual financial statements which the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 March 2021, the Group prepared its CFS in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended).

Accordingly, the Group has prepared CFS, which comply with IFRS applicable for periods ending on or after 31 March 2021, together with the comparative period data as at and for the year ended 31 March 2020, as described in the summary of significant accounting policies. In preparing the CFS, the Group's opening balance sheet was prepared as at 1 April 2019, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Ind AS CFS, including the balance sheet as at 1 April 2019 and the CFS as at and for the year ended 31 March 2020.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- a. The Group has elected that it will not apply IFRS 3 Business Combinations retrospectively to business combination (including acquisitions of subsidiaries that are considered businesses for IFRS) occurring before 1 April 2019. Use of this exemption implies that Ind AS carrying amounts of assets and liabilities, which are required to be recognized under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS balance sheet. The Group did not recognize or exclude any previously recognized amounts as a result of IFRS recognition requirements.

IFRS 1 also requires that Ind AS carrying amount of goodwill must be used in the opening IFRS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was deemed necessary at 1 April 2019.
- b. Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2019, i.e., date of transition to IFRS.
- c. IFRS 2 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before the date of transition to IFRS. For cash-settled share-based payment transactions, the Group has not applied IFRS 2 to liabilities that were settled before the date of transition to IFRS.
- d. The group has applied IFRS 15 retrospectively. However, it has not applied IFRS 15 to contracts that were completed before the Group's date of transition to IFRS. For this purpose, a completed contract is a contract for which the Group has transferred all of the goods or services identified in accordance with Ind AS.
- e. Effective April 1, 2019, the Group adopted IFRS 16 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The group also availed the exemption for the lease payments associated with leases for which the lease term ends within 12 months and leases for which the underlying asset is of low value have been recognized as an expense on either a straightline basis over the lease term or another systematic basis.

IFRS Mandatory Exceptions**Estimates**

The estimates at 1 April 2019 and at 31 March 2020 are consistent with those made for the same dates in accordance with Ind AS (after adjustments to reflect any differences in accounting policies) except for the items where application of Ind AS did not require similar estimation. The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 April 2019 the date of transition to IFRS and as of 31 March 2020.

Hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. The Group has reflected only those hedge relationships in its opening balance sheet which qualify for hedge accounting under IFRS 9 at that date.

(All amounts in Rs Mn unless otherwise stated)

33 Reconciliations between previous GAAP and IFRS

IFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to IFRS.

Reconciliation of equity as at date of transition (01 April 2019)*

Particulars	Ind AS	Re-	Reclassification	IFRS
		measurements		
		Refer Note (i)		
		below	Refer Note (iii) below	
ASSETS				
Non-current assets				
Property, plant and equipment	4,191	-	(247)	3,944
Right of Use asset	993	-	261	1,254
Capital work in progress	14	-	(14)	-
Goodwill	2,448	56	-	2,504
Other intangible assets	1,548	12	-	1,560
Deferred tax assets (net)	1,090	-	(36)	1,054
Trade receivables	45	-	5	50
Contract assets	-	-	-	-
Income tax assets (net of provisions)	-	-	203	203
Other non-current assets	77	-	-	77
Other financial assets at amortised cost	243	-	(5)	238
Total non-current assets	10,649	68	167	10,884
Current assets				
Trade receivables	5,877	-	626	6,503
Contract assets	-	-	623	623
Investments	3,651	-	(3,651)	-
Current tax assets (net)	203	-	(203)	-
Cash and cash equivalents	5,079	-	-	5,079
Bank balances other than above	497	-	(497)	-
Other financial assets	1,549	-	2,899	4,448
Other current assets	1,136	-	-	1,136
Total current assets	17,992	-	(203)	17,789
Assets classified as held for sale	1,144	-	-	1,144
TOTAL ASSETS	29,785	68	(36)	29,817
EQUITY				
Equity share capital	618	-	-	618
Other equity				
Reserves and surplus	19,978	114	-	20,092
Equity attributable to owners of Coforge	20,596	114	-	20,710
Non-controlling interests	75	-	-	75
Total equity	20,671	114	-	20,785
LIABILITIES				
Non-Current Liabilities				
Borrowings	100	-	(1)	99
Lease Liability	-	-	901	901
Deferred tax liabilities	395	(46)	(36)	313
Other financial liabilities	1,438	-	(900)	538
Employee benefit obligations	-	-	669	669
Provisions	725	-	(669)	56
Non-current liabilities	12	-	-	12
Total non-current liabilities	2,670	(46)	(36)	2,588
Current liabilities				
Borrowings	-	-	34	34
Trade payables	1,647	-	-	1,647
Lease liabilities	-	-	280	280
Other financial liabilities	1,865	-	809	2,674
Employee benefit obligations	-	-	152	152
Provisions	334	-	(152)	182
Other current liabilities	2,265	-	(1,123)	1,142
Total current liabilities	6,111	-	-	6,111
Total Liabilities				
Liabilities directly associated with the assets classified as held for sale	333	-	-	333
TOTAL LIABILITIES	9,114	(46)	(36)	9,032
TOTAL EQUITY AND LIABILITIES	29,785	68	(36)	29,817

*The previous GAAP figures have been reclassified to conform to IFRS presentation requirements for the purposes of this Note

(All amounts in Rs Mn unless otherwise stated)

Reconciliation of equity as at 31 March 2020*

Particulars	Ind AS	Re-	Reclassification	IFRS
		measurements		
		Refer Note (i) below	Refer Note (iii) below	
ASSETS				
Non-current assets				
Property, plant and equipment	4,013	-	(255)	3,758
Right of Use asset	792	-	258	1,050
Capital work in progress	3	-	(3)	-
Goodwill	4,091	120	-	4,211
Other intangible assets	1,897	22	-	1,919
Deferred tax assets (net)	1,302	-	(87)	1,215
Trade receivables	-	-	383	383
Contract assets	-	-	-	-
Income tax assets (net of provisions)	-	-	411	411
Other non-current assets	140	-	-	140
Other financial assets at amortised cost	650	-	(383)	267
Total non-current assets	12,888	142	324	13,354
Current assets				
Trade receivables	8,565	-	1,176	9,741
Investments	137	-	(137)	-
Contract assets	-	-	1,072	1,072
Current tax assets (net)	411	-	(411)	-
Cash and cash equivalents	8,195	-	-	8,195
Bank balances other than above	839	-	(839)	-
Other financial assets	2,427	-	(1,272)	1,155
Other current assets	936	-	-	936
Total current assets	21,510	-	(411)	21,099
TOTAL ASSETS	34,398	142	(87)	34,453
Equity				
Equity share capital	625	-	-	625
Other equity				
Retained earnings	23,340	173	-	23,513
Equity attributable to owners of Coforge	23,965	173	-	24,138
Non-controlling interests	-	-	-	-
Total equity	23,965	173	-	24,138
LIABILITIES				
Non-Current Liabilities				
Borrowings	48	-	(3)	45
Trade payables	206	-	-	206
Lease Liability	-	-	661	661
Provisions	593	-	(593)	-
Deferred tax liabilities	397	(31)	(87)	279
Other financial liabilities	1,247	-	(658)	589
Employee benefit obligations	-	-	593	593
Total non-current liabilities	2,491	(31)	(87)	2,373
Current liabilities				
Borrowings	-	-	302	302
Trade payables	2,634	-	-	2,634
Lease liabilities	-	-	317	317
Other financial liabilities	2,406	-	647	3,053
Employee benefit obligations	-	-	239	239
Provisions	329	-	(239)	90
Other current liabilities	2,573	-	(1,266)	1,307
Total current liabilities	7,942	-	-	7,942
TOTAL LIABILITIES	10,433	(31)	(87)	10,315
TOTAL EQUITY AND LIABILITIES	34,398	142	(87)	34,453

(All amounts in Rs Mn unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 1 April 2020*

Particulars	Ind AS	Re-	Reclassification	IFRS
		measurements		
		Refer Note (i) below	Refer Note (iii) below	
Revenue from operations	41,839	-	-	41,839
Other income	677	-	57	734
Total income	42,516	-	57	42,573
Expenses				
Purchases of stock-in-trade / contract cost	844	-	(844)	-
Cost of hardware and third-party software	-	-	1,908	1,908
Sub-contracting / technical fees	-	-	2,893	2,893
Employee benefits expense	25,298	-	-	25,298
Depreciation and amortisation expense	1,730	-	40	1,770
Other expenses	8,464	-	(3,869)	4,595
Finance cost	155	-	-	155
Total expenses	36,491	-	128	36,619
Exceptional items	71	-	(71)	-
Profit before income taxes	5,954	-	-	5,954
Income tax expense:	1,278	-	-	1,278
Profit for the year	4,676	-	-	4,676
Other comprehensive income/(loss)				
Other comprehensive income for the year, net of tax	101	-	-	101
Total comprehensive income for the year	4,777	-	-	4,777
Total comprehensive income is attributable to:				
Owners of Coforge Limited	4,541	-	-	4,541
Non-controlling interests	236	-	-	236
Total comprehensive income for the year	4,777	-	-	4,777

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this Note.

Notes: Exceptional items under the previous GAAP has been classified in the relevant expense/income.

Purchase of stock in trade and other production expenses (incl. third party license cost) forming part of other expenses under previous GAAP has been shown as cost of hardware and third-party software in order give a better presentation.

Professional charges forming part of other expenses under previous GAAP has been shown as Sub-contracting / technical fees in order give a better presentation.

Group Reconciliation of equity as at 1 April 2019 (date of transition to IFRS) and 31 March 2020

	31 March 2020	1 April 2019
Total equity (shareholder's funds) as per previous GAAP	23,965	20,596
Non-controlling interest in the Company	-	75
Total equity as per previous GAAP	23,965	20,671
Adjustments	(173)	(114)
Total equity as per IFRS	24,138	20,785

Total equity balance as on 1 April 2019 has been decreased on account of first time adoption of IFRS-16 amounting to Rs. 127 mn.

Reconciliation of total comprehensive income for the year ended 31 March, 2020

Total Comprehensive Income as per Ind AS	4,777
Adjustments	-
Total Comprehensive Income as per IFRS	4,777

(All amounts in Rs Mn unless otherwise stated)

Impact of IFRS adoption on Statement of cash flow for the year ended 31 March 2020

Particulars	Ind AS	Adjustments	IFRS
Net cash flow from operating activities	2,969	-	2,969
Net cash flow from investing activities	1,123	1,600	2,723
Net cash flow from financing activities	(1,327)	(1,362)	(2,689)
Total	2,765	238	3,003
Cash and cash equivalents as at 01 April 2019	5,079	-	5,079
Effect of exchange rate changes on cash and cash equivalents	113	-	113
Cash acquired on acquisition of subsidiary	238	(238)	-
Cash and cash equivalents as at 31 March 2020	8,195	-	8,195

Notes:

(i) Under Ind AS (previous GAAP), goodwill and fair value adjustments arising on WHISHWORKS and DPA acquisitions were treated as assets of the intermediate parent and restated accordingly. On transition to IFRS, the same have been treated as assets of the acquiree and restated at the closing exchange rate between functional currency of the parent and acquiree. Further, deferred tax liabilities have also been aligned accordingly.

(ii) There were no other remeasurement differences

(iii) Reclassification differences from Ind AS to IFRS are as follows:

Consolidated statement of financial position

Description of item	Amount as at		Ind AS classification	IFRS classification
	1-Apr-19	31-Mar-20		
CWIP reclassification to PPE in IFRS	14	3	Capital work in progress	Property, plant and equipment
Leasehold land reclassification to ROU	261	258	Property, plant and equipment	Right of Use asset
Current tax assets reclassified to Non current- Income tax assets	203	411	Current Assets- Current tax assets (net)	Non Current- Income tax assets (net of provisions)
Deferred tax asset and liability netted off	36	87	Deferred tax- Asset	Deferred tax- Liability
Unbilled revenue reclassified to Trade receivables	5	383	Non Current-Other financial assets at amortised cost	Non Current-Trade receivables
Investment in mutual funds reclassified to other financial assets	3,651	137	Investments	Other financial assets
Bank balance other than above reclassified to other financial assets	497	839	Bank balances other than above	Other financial assets
Unbilled revenue reclassified to new line item Contract assets	623	1,072	Other financial assets	Contract assets
Unbilled revenue reclassified to new line item Trade Receivables	626	1,176	Current-Other financial assets at amortised cost	Current-Trade receivables
Lease liability reclassified to new line item Lease liability	901	658	Non Current Other Financial liabilities	Non current Lease liabilities
Borrowings reclassified to new line item Lease liability	1	3	Non current Borrowings	Non current Lease liabilities
Provisions reclassified to new line item Lease liability Employee benefit obligations	669	593	Non Current -Provisions	Non- Current- Employee benefit obligations
Provisions reclassified to new line item Lease liability Employee benefit obligations	152	239	Current- Provisions	Current- Employee benefit obligations
Current borrowings reclassified to new line item Current- Borrowings	34	302	Other financial liabilities	Borrowings
Lease liability reclassified to new line item Lease liability	280	317	Other financial liabilities	Lease liabilities
Employee benefit payable reclassified to other financial liabilities	1,123	1,266	Other current liabilities	Other financial liabilities

Statement of Profit and Loss and other comprehensive income

Description of item	For the year ended 31- Mar-20	Ind AS classification	IFRS classification
Purchase of stock in trade reclassified to new line item Cost of hardware and third-party software	844	Purchases of stock-in-trade / contract cost	Cost of hardware and third-party software
Professional charges in other expenses reclassified to Sub-contracting / technical fees	2,893	Other Expenses	Sub-contracting / technical fees
Other production expenses in other expenses reclassified to Cost of hardware and third-party software	1,064	Other Expenses	Cost of hardware and third-party software
Impairment of intangibles in exceptional items reclassified to Depreciation and amortisation	40	Exceptional items	Depreciation
One time recovery in exceptional items reclassified to other income	57	Exceptional items	Other Income
Impairment of trade receivables and unbilled revenue in exceptional items reclassified to Allowance for doubtful debts in other expenses	88	Exceptional items	Other Expenses

Statement of Cash Flows

Description of item	For the year ended 31- Mar-20	Ind AS classification	IFRS classification
Cash payment to NCI holders reclassified from investing activities to financing activities	1362	Net cash flow from investing activities	Net cash flow from financing activities
Cash acquired to acquisition of subsidiary reclassified to investing activities	238	Cash acquired on acquisition of subsidiary- Cash and cash equivalents	Net cash flow from investing activities

Note Remeasurement of Goodwill, intangibles, related deferred taxes and foreign currency translation reserve thereon to bring in line with requirements with IAS 36 There are no other IndAS to IFRS differences on first time adoption.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the
Board of Directors of
Coforge Limited (formerly
NIIT Technologies Limited)

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Coforge Limited (the Company) as of March 31, 2021 and 2020, and April 1, 2019, the related consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for each of the two years in the period ended March 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and April 1, 2019, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Changes in basis for accounting

As discussed in Note B (i) to the consolidated financial statements, during the year ended March 31, 2021 the Company changed its basis of accounting from Indian generally accepted accounting principles to International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ S. R. Batliboi & Associates LLP

We have served as the
Company's auditor since
2017. Gurugram, India
03 September 2021