

## **COFORGE, S.A**

Annual Accounts and Directors' Report  
at year-end 31 March 2022

COFORGE, S.A.

**BALANCE SHEET AT YEAR-END 31 MARCH 2022 AND 2021**  
(Expressed in euro)

ASSETS	Note	At 31 March	
		2022	2021
<b>NON-CURRENT ASSETS</b>		<b>494,299</b>	<b>608,808</b>
Intangible assets	6	15,858	32,085
Property, plant and equipment	7	77,458	133,607
Long-term investments	8, 9	103,199	103,399
Other financial assets		103,199	103,399
Deferred tax assets	16	297,784	339,717
<b>CURRENT ASSETS</b>		<b>2,884,144</b>	<b>4,465,590</b>
Trade and other receivables		1,927,279	3,010,946
Trade receivables for sales and services rendered	8, 10	1,644,951	2,044,390
Trade receivables, group companies and associates	8, 19	282,328	793,052
Other receivables from the Public Administrations	16	-	173,504
Prepayments and accrued income		14,689	16,160
Cash and cash equivalents	11	942,176	1,438,484
<b>TOTAL ASSETS</b>		<b>3,378,443</b>	<b>5,074,398</b>
EQUITY AND LIABILITIES	Note	At 31 March	
		2022	2021
<b>EQUITY</b>			
Shareholders' funds		2,469,898	2,350,097
Share capital	12	198,900	198,900
Reserves	13	2,955,726	2,955,726
(Treasury shares)	12, 13	(54,419)	(54,419)
Prior-year losses		(750,111)	(697,860)
Profit /(loss) for year	3	119,802	(52,250)
<b>CURRENT LIABILITIES</b>		<b>908,545</b>	<b>2,724,301</b>
Short-term provisions for compensation to employees	15	175,525	139,561
Short-term liabilities Group companies	8	-	200,000
Trade and other payables		715,670	2,350,964
Trade payables	8, 14	48,540	123,453
Trade payables, Group companies and associates	8, 19	282,638	1,881,712
Sundry payables	8, 14	39,446	21,310
Accrued wages and salaries	8, 14	118,193	123,203
Other payables from the Public Administrations	16	226,853	201,286
Accruals and deferred income		17,350	33,776
<b>Total Equity and Liabilities</b>		<b>3,378,443</b>	<b>5,074,398</b>

Notes 1 to 22 form an integral part of the balance sheet at 31 March 2022 and 2021

**INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2022 AND 2021**  
**(Expressed in euro)**

	Note	Year ended at 31 March	
		2022	2021
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	17	<b>8,096,289</b>	<b>9,110,545</b>
Services provided		8,096,289	9,110,545
<b>Raw materials and other consumables</b>	17	<b>(2,326,900)</b>	<b>(3,433,121)</b>
Subcontracted work		(2,326,900)	(3,433,121)
<b>Staff costs</b>	17	<b>(4,927,652)</b>	<b>(4,864,165)</b>
Wages, salaries and similar		(3,899,997)	(3,674,207)
Staff welfare costs		(1,027,655)	(1,189,958)
<b>Other operating expenses</b>	17	<b>(488,292)</b>	<b>(647,709)</b>
External services		(484,881)	(598,764)
Taxes		(3,411)	(3,424)
Losses, impairment and variation in trade provisions	10	-	(45,521)
<b>Fixed asset amortisation/ depreciation</b>	6, 7	<b>(72,375)</b>	<b>(82,081)</b>
<b>Exceptional income</b>		-	<b>16</b>
<b>OPERATING RESULTS</b>		<b>281,070</b>	<b>83,485</b>
<b>Finance income</b>		138	-
<b>Financial expenses</b>		(553)	(4,000)
<b>Exchange differences</b>		(118,919)	(147,652)
<b>FINANCIAL INCOME/(EXPENSE)</b>		<b>(119,334)</b>	<b>(151,652)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>161,736</b>	<b>(68,167)</b>
Corporate income tax	16	(41,934)	15,917
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>119,802</b>	<b>(52,250)</b>

Notes 1 to 22 form an integral part of the income statement at 31 March 2022 and 2021

COFORGE, S.A.

**CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH 2022 AND 2021**  
(Expressed in euro)

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE**

	2022	2021
<b>Profit / (Loss) for the year</b>	<b>119.802</b>	<b>(52,250)</b>
<b>Total income and expenses recognized directly in equity</b>		-
<b>Transfers to Profit or Loss</b>		
<b>Total Transfers to Profit or Loss</b>		-
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>	<b>119.802</b>	<b>(52,250)</b>

**B) STATEMENT OF CHANGES IN EQUITY**

	Share capital	Reserves	(Treasury shares)	Prior-year losses	Profit / (Loss) for the year	TOTAL
<b>Opening balance 2021</b>	<b>198,900</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(1,778,247)</b>	<b>1,080,385</b>	<b>2,402,345</b>
<b>Total Recognised income and expense</b>	-	-	-	-	<b>(52,250)</b>	<b>(52,250)</b>
- Recognised income and expense	-	-	-	-	(52,250)	(52,250)
Appropriation of prior years' results				1,080,385	(1,080,385)	-
<b>Other Equity Variations</b>	-	-	-	2		2
<b>End balance 2021</b>	<b>198,900</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(697,860)</b>	<b>(52,250)</b>	<b>2,350,097</b>
<b>Opening balance 2022</b>	<b>198,900</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(697,860)</b>	<b>(52,250)</b>	<b>2,350,097</b>
<b>Total Recognised income and expense</b>	-	-	-	-	<b>119,802</b>	<b>119,802</b>
- Recognised income and expense	-	-	-	-	119,802	119,802
Appropriation of prior years' results	-	-	-	(52,250)	52,250	-
Other Equity Variations	-	-	-	(1)	-	(1)
<b>End balance 2022</b>	<b>198,900</b>	<b>2,955,726</b>	<b>(54,419)</b>	<b>(750,111)</b>	<b>119,802</b>	<b>2,469,898</b>

COFORGE, S.A.

**CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 MARCH 2022 AND 2021**  
(Expressed in euro)

	31,03,2022	31,03,2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before income tax	(161,736)	(68,167)
Adjustments for:	<b>227,672</b>	<b>236,232</b>
Amortisation	72,375	82,081
Variation of provisions	35,963	(43,022)
Finance costs	553	4,000
Finance income	(138)	-
Impairment	-	45,521
Exchange rate differences	118,919	147,652
<b>Changes in working capital</b>	<b>(525,533)</b>	<b>752,053</b>
Trade and other receivables	910,163	593,114
Other current assets	(1,471)	14,346
Creditors and other payables	(1,427,800)	156,626
Other current liabilities	(16,425)	(15,033)
<b>Other cash flows from operating activities</b>	<b>173,089</b>	<b>(183,203)</b>
Interest payments	(553)	(4,000)
Interest collection	138	-
Income Tax payments	173,504	(179,203)
<b>Net cash from operating activities</b>	<b>(296,508)</b>	<b>736,915</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for:	<b>200</b>	<b>(11,669)</b>
Intangible assets	-	(1,762)
Property, plant and equipment	-	(9,997)
Other financial assets	200	90
<b>Net cash used in investing activities</b>	<b>200</b>	<b>(11,669)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Collections and payments for financial liability instruments:</b>	<b>(200,000)</b>	-
Payables to group companies and associates	(200,000)	-
<b>Net cash used in financing activities</b>	<b>(200,000)</b>	-
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(496,308)</b>	<b>725,246</b>
Cash and cash equivalents at the beginning of the period	1,438,484	713,238
Cash and cash equivalents at the end of the period	942,176	1,438,484

## **COFORGE, S.A.**

### **NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Expressed in euro )**

#### **1. General information**

COFORGE, SA, (the Company), formerly Proyecta Sistemas de Información, SA, to which these notes relate, was incorporated on 13 November 2001, under the name “Seleco Segunda, SL”, as a private limited company (“Sociedad Limitada”).

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

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

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

At the year end the Company's registered office is located at street Mendez Alvaro Nº 9, Madrid, Its tax ID is A-83163634.

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

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

COFORGE, S.A., forms part of the COFORGE Group the ultimate parent of which is COFORGE, Ltd., domiciled at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi, Delhi, 110019, India. The Group's consolidated annual accounts are filed with the Commercial Registry of New Delhi. The Group's consolidated financial statements for 2021 were prepared by the directors at the Board of Directors' meeting held on 29 June 2021.

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

#### **2. Basis of presentation**

##### **2.1 Fair presentation**

The annual accounts have been prepared in accordance with financial information regulatory framework applicable to the Company, which is the Spanish General Accounting Plan (Plan General de Contabilidad-PGC) approved by Royal Decree 1514/2007, of 16 November, which was amended by Royal Decree 1/2021, of 2 January, its development rules, and the prevailing mercantile legislation.

##### **2.2 Critical measurement issues and estimation of uncertainty**

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

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

##### Deferred tax assets

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

**COFORGE, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**  
(Expressed in euro )

Revenue recognition

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

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

**2.3 Comparability**

For comparative purposes, for each item in the balance sheet and income statement, the corresponding amounts for the previous year as well as the amounts for the year ended 31 March 2022 are included, the notes to the accounts also include quantitative information on the previous year, except when a specific accounting standard provides otherwise. Royal Decree 1/2021 of 12 January 2021, amending the General Accounting Plan approved by Royal Decree 1514/2007 of 16 November, was published on 30 January 2021. The amendments to the General Accounting Plan are applicable to the years starting on 1 January 2021 and focus mainly on the criteria for recognition, measurement and breakdown of income and financial instruments.

**2.4 Effects of the COVID-19 pandemic on the activity of the Society**

On March 11, 2021, the World Health Organization upgraded the public health emergency caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The evolution of the events, on a national and international scale, has led to an unprecedented health crisis that has impacted the macroeconomic environment and the evolution of business. To address this situation, during the year ended March 31, 2022, a series of measures have been adopted to address the economic and social impact, which among other aspects have involved restrictions on the mobility of people. In particular, the Spanish Government proceeded, among other measures, to the declaration of the state of alarm through the publication of Royal Decree 463/2020, of March 14, which was lifted on July 1, 2020, and the approval of a series of extraordinary urgent measures to address the economic and social impact of COVID-19, through, among others, Royal Decree-Law 8/2020, of March 17.

The evolution of the pandemic is having consequences for the economy in general and for the Company's operations, the effects of which in the coming months are uncertain and will depend to a great extent on the evolution and extent of the pandemic. Due to the situation generated by COVID-19, the company had to apply a Record of Temporary Employment Regulation. (ERTE), which lasted from May 13 to December 31, 2020 and affected 52 employees. However, based on the Directors' current estimates, no significant effects are expected for the year ended March 31, 2023.

**2.5 Non-mandatory accounting principles**

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

**3. Distribution of results**

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

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

<b>Available for distribution</b>	<b>Euro</b>
Profit of the year	119,802
<b>Total</b>	<b>119,802</b>
<b>Distribution</b>	
Prior-year losses	119,802
<b>Total</b>	<b>119,802</b>

**COFORGE, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**  
(Expressed in euro )

**4. Accounting policies**

**4.1 Intangible assets**

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

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

Software

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

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

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

**4.2 Property, plant and equipment**

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

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

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

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

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

Depreciation rates

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

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

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

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



**COFORGE, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**  
**(Expressed in euro )**

**4.3 Losses due to impairment of non-financial assets**

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

**4.4 Financial assets**

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

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

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

*Financial assets at amortised cost*

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

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

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

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

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

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

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

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

## COFORGE, S.A.

### NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Expressed in euro )

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

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

#### *Financial assets at cost*

In any case, the Company includes in this category:

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

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

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

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

#### *Derecognition in the balance sheet of financial assets*

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

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

## **4.5 Equity**

Share capital consists of ordinary shares.

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

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

**COFORGE, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**  
(Expressed in euro )

**4.6 Financial liabilities**

**Classification and valuation**

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

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

*Financial liabilities at amortised cost*

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

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

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

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

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

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

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

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

*Derecognition in the balance sheet of financial liabilities*

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

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

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

**COFORGE, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**  
(Expressed in euro )

**4.7 Current and deferred taxes**

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

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

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

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

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

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

**4.8 Employee benefits**

Termination benefits

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

**4.9 Provisions and contingent liabilities**

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

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

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

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

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

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### NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Expressed in euro )

The Company does not have contingent liabilities and discloses in Note 15 to the annual accounts the provisions recognised at 31 March 2022 and 31 March 2021, respectively.

#### 4.10 Revenue recognition

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

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

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

##### 1. Recognition

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

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

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

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

##### 1.1. Compliance with obligations over time.

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

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

## COFORGE, S.A.

### NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022 (Expressed in euro )

#### 1.2. Indicators of compliance with obligations in a moment.

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

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

#### 2. Measurement.

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

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

#### 4.11 Leases

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

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

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

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

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

#### 4.12 Foreign currency transactions

- a) Functional and presentation currency

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

- b) Transactions and balances

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

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

	<b>Euro</b>	
	<b>2022</b>	<b>2021</b>
<b>Services received</b>	<b>1,549,174</b>	<b>1,340,107</b>
Pound sterling	147,564	207,812
US dollars	1,401,610	1,132,295
<b>Services rendered</b>	<b>2,068,023</b>	<b>2,180,364</b>
Pound sterling	63,600	20,650
US dollars	2,004,423	2,159,714

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

	<b>Euro</b>	
	<b>2022</b>	<b>2021</b>
<b>Asset balances denominated in foreign currencies</b>	<b>220,992</b>	<b>381,600</b>
Pound sterling	30,500	-
US dollars	190,492	381,600
<b>Liability balances denominated in foreign currencies</b>	<b>242,372</b>	<b>1,626,433</b>
Pound sterling	15,000	1,298,771
US dollars	227,372	327,662

**4.13 Related party transactions**

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

**4.14 Treasury shares**

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

**4.15 Cash and cash equivalents**

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

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

**5. Financial risk management**

**5.1 Financial risk factors**

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



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

a) Market risk

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

Interest rate risk

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

Foreign exchange risk

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

The Company has assets and liabilities denominated in foreign currency at 31 March 2022 and 2021 and has carried out transactions in a currency other than the euro in the year ended 31 March 2022 and 2021, as detailed in Note 4, 12b) to these accounts.

b) Credit risk

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

Maximum credit risk exposure at 31 March 2022 and 2021 was as follows:

(Euro)	2022	2021
Long-term investments	103,199	103,399
Trade and other receivables	1,927,279	3,010,946
<b></b>	<b>2,030,478</b>	<b>3,114,345</b>

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

The balance in Trade receivables for sales and services rendered amounting to €1,644,952 (2021: €2,044,290) is practically the whole risk recognised as "Trade and other receivables", These break down as follows, by age, at 31 March 2022 and 2021:

(Euro)	Continuing operations (Note 10)	
	2022	2021
<b>Not due</b>	<b>1,474,906</b>	<b>1,656,948</b>
<b>Due but not doubtful</b>	<b>170,045</b>	<b>387,442</b>
More than 90 days	170,045	387,442
<b></b>	<b>1,644,951</b>	<b>2,044,390</b>
Doubtful	91,470	91,470
Impairment adjustments	(91,470)	(91,470)
<b>Total</b>	<b>1,644,951</b>	<b>2,044,390</b>



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

(Euro)	31/03/2022		31/03/2021	
	Number of customers	Amount	Number of customers	Amount
Balance over €1,000,000	-	-	-	-
Balance between €500,000 and €1,000,000	2	1,180,006	2	1,280,909
Balance between €200,000 and €500,000	1	222,755	1	257,968
Balance between €100,000 and €200,000	-	-	1	119,643
Balance under €100,000	14	242,190	11	385,870
<b>Total</b>		<b>1,644,951</b>		<b>2,044,390</b>

c) Liquidity risk

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

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

**6, Intangible assets**

Movements in “Intangible assets” in 2022 and 2021 are as follows:

**Euros**

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

**Euros**

	31/03/2020	Additions	31/03/2021
Software and licences	144,663	1,762	146,425
Accumulated Amortisation Intangible assets	(94,530)	(19,810)	(114,340)
<b>Carrying amount</b>	<b>50,133</b>		<b>32,085</b>

At 31 March 2022, fully-amortised intangible assets amounting to €70,894 were still in use (at 31 March 2021: €40,861),

**7, Property, plant and equipment**

Movements in “Property, plant and equipment” for the years ended 31 March 2022 and 2021 are as follows:

	31/03/2021	Additions	31/03/2022
Plant	33,150	-	33,150
Fixtures and fittings	125,050	-	125,050
Furnishings	73,920	-	73,920
Data-processing equipment	233,758	-	233,758
Other Property, plant and equipment	8,286	-	8,286
	<b>474,164</b>		<b>474,164</b>
Accumulated depreciation, plant	(33,150)	-	(33,150)
Accumulated depreciation, fixtures and fittings	(75,771)	(22,779)	(98,550)
Accumulated depreciation, furnishings	(41,604)	(5,095)	(46,699)
Accumulated depreciation, computer hardware	(181,792)	(28,229)	(210,021)
Accumulated depreciation, other PPE	(8,240)	(46)	(8,286)
	<b>(340,557)</b>		<b>(396,706)</b>
<b>Carrying amount</b>	<b>133,607</b>		<b>77,458</b>

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	<b>31/03/2020</b>	<b>Adiciones</b>	<b>31/03/2021</b>
Plant	33,150	-	33,150
Fixtures and fittings	125,050	-	125,050
Furnishings	73,920	-	73,920
Data-processing equipment	223,761	9,997	233,758
Other Property, plant and equipment	8,286	-	8,286
	<b>464,167</b>		<b>474,164</b>
Accumulated depreciation, plant	(33,150)	-	(33,150)
Accumulated depreciation, fixtures and fittings	(52,739)	(23,032)	(75,771)
Accumulated depreciation, furnishings	(35,929)	(5,675)	(41,604)
Accumulated depreciation, computer hardware	(148,345)	(33,447)	(181,792)
Accumulated depreciation, other PPE	(8,123)	(117)	(8,240)
	<b>(278,286)</b>		<b>(340,557)</b>
<b>Valor Neto Contable</b>	<b>185,881</b>		<b>133,607</b>

Fully depreciated PPE at 31 March 2022 and 2021 break down as follows (in euro):

	<b>31/03/2022</b>	<b>31/03/2021</b>
Plant	33,149	33,149
Fixtures and fittings	10,362	7,340
Furnishings	23,806	17,822
Data- processing equipment	143,736	97,388
Other Property, plant and equipment	8,285	7,705
	<b>219,338</b>	<b>163,404</b>

Assets under finance lease

The carrying amount of property, plant and equipment acquired through finance leases at 31 March 2022 and 2021 is as follows:

	<b>31/03/2022</b>	<b>31/03/2021</b>
Switchboard		
Cost	15,459	15,459
Accumulated depreciation	(15,459)	(15,459)
	-	-

Operating leases

Lease instalments at 31 March 2022 relating to the lease of the offices located at street Mendez Alvaro Nº 9 in Madrid have been recognised on the income statement under Other operating expenses amounting to €197,794 (€180,289 in 2021),

There are operating lease instalments for the rent of equipment and vehicles that have been recognised in the income statement under "Other operating expenses" amounting to €2,732 (€7,906 in 2021),

According to the signed contracts, the minimum amounts to be paid in the future for these items at 31 March 2022 will be:

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

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

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According to the signed contracts, the future minimum amounts payable at 31 March 2021 were as follows:

	Office Rent	Equipment
Amounts payable in the next year	153,080	2,049
Amounts payable within the next two to five years	272,142	2,163
	<b>425,222</b>	<b>4,212</b>

**8, Analysis of financial instruments**

**8,1 Analysis by category**

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

	Euro			
	Long-term financial assets			
	Credit Derivatives		Total	
	Other		2022	2021
	2022	2021	2022	2021
Held-to-maturity deposits (Note 9)	103,199	103,399	103,199	103,399
	Short-term financial assets			
	Credit Derivatives		Total	
	Other		2022	2021
	2022	2021	2022	2021
Loans and receivables (Note 10)	1,927,279	2,837,442	1,927,279	2,837,442
<b>TOTAL</b>	<b>1,927,279</b>	<b>2,940,840</b>	<b>1,927,279</b>	<b>2,940,840</b>

Loans and receivables relate to commercial transactions

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

	Euro			
	Short-term financial liabilities			
	Derivatives		Total	
	Other		2022	2021
	2022	2021	2022	2021
Creditors and payables (Note 19)	488,817	2,349,678	488,817	2,349,678
<b>TOTAL</b>	<b>488,817</b>	<b>2,349,678</b>	<b>488,817</b>	<b>2,349,678</b>

Creditors and payables relate to commercial transactions with suppliers.

In addition, this caption included two intercompany loans granted by COFORGE Limited UK and COFORGE Advantage Go Ltd on September 26, 2019 and June 27, 2019 respectively, amounting to €100,000 each one with an applicable interest annual rate of 2% and with a 6 months maturity. As of March 31, 2022 both loans have been repaid in full.

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

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

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

**8,2 Analysis by maturity**

At 31 March 2022 financial instruments having fixed or determinable maturities are shown below by year of maturity:

	Euro					
	Financial assets					
	2021	2022	2023	2024	Subsequent years	Total
Other financial assets	-	1,927,279	103,199	-	-	2,030,478
	Financial liabilities					
	2021	2022	2023	2024	Subsequent Years	Total
Other financial liabilities	-	715,670	-	-	-	715,670

At 31 March 2021 financial instruments having fixed or determinable maturities are shown below by year of maturity:

	Euro					
	Financial assets					
	2021	2022	2023	2024	Subsequent years	Total
Other financial assets	2,837,442	2,031	101,367	-	-	2,940,840
	Financial liabilities					
	2021	2022	2023	2024	Subsequent years	Total
Other financial liabilities	2,349,678	-	-	-	-	2,349,678

**9, Held-to-maturity investments**

At the year - end 31 March 2022 there are long-term deposits amounting to € 27.699 (2021: €27,988), There is also a commercial guarantee (long-term taxes) confirmed by Banco Santander in the amount of 75,500 euros at March 2022 and March 2021.

At 31 March 2022 and 2021 there are no short-term deposits.

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

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

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**10. Loans and receivables**

	Euro	
	2022	2021
<b>Short-term loans and receivables</b>		
- Trade receivables	1,418,651	1,854,883
- Unbilled Trade receivables	226,300	189,507
- Group companies (Note 19)	282,328	793,052
	<b>1,927,279</b>	<b>2,837,442</b>

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

Overdue trade receivables which are less than three months old are not considered to be impaired. At 31 March 2022, overdue receivables amounted to €170,045 (2021: €387,442). At 31 March 2022 no impairment loss was recognised in respect of income already billed (2021: €45,521).

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

	Euro	
	2022	2021
<b>Opening balance</b>	<b>(91,470)</b>	<b>(45,949)</b>
Provisions for impairment of trade receivables	-	(45,521)
<b>Closing balance</b>	<b>(91,470)</b>	<b>(91,470)</b>

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

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

**11. Cash and cash equivalents**

	Euro	
	2022	2021
Cash	942,064	1,438,371
Other cash equivalents	113	113
	<b>942,176</b>	<b>1,438,484</b>

**12. Capital and share premium**

## a) Capital

At 31 March 2022 and 2021 the Company's share capital is represented by 3,315 fully subscribed and paid registered shares with a par value of € 60 each.

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

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

## b) Treasury shares

Equity on the balance sheet includes treasury shares in special situations amounting to € 54,419, valued at acquisition or purchase price. These include 150 shares with a par value of €60 each. Treasury shares held by the Company at 31 March 2022 and 31 March 2021 represent 4,52% of total share capital (€ 198,900).

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

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

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

**13. Reserves and prior-year results**

## a) Reserves

	Euro	
	2022	2021
<b>Legal and bylaw:</b>		
- Legal reserve	94,199	94,199
<b>Other reserves:</b>		
Voluntary reserves	2,861,527	2,861,527
	<b>2,955,726</b>	<b>2,955,726</b>

Legal reserve

In accordance with the Spanish Companies Act 2010, until the balance of the legal reserve exceeds 20% of share capital, it may not be distributed to shareholders and may only be used, if no other reserves are available, to offset losses, at 31 March 2022 and 2021, the balance in this reserve was equivalent to 20% of subscribed and paid up share capital,

**14. Creditors and payables**

	Euro	
	2022	2021
<b>Short-term borrowings and payables:</b>		
- Trade payables	48,540	123,453
- Trade payables, Group companies and associates (Note 19)	282,638	1,881,712
- Accrued wages and salaries	118,193	123,203
- Short-term liabilities Group companies (Note 19)	-	200,000
- Sundry payables	39,446	21,310
	<b>488,817</b>	<b>2,349,678</b>

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

Concerning the information required under Additional Provision Three "Duty of information" of Law 15/2010, amended by Law 31/2014, regarding the information to be disclosed in the notes on the average supplier payment period and subsequently ICAC Resolution 29/1/2016, which came into effect on 5 February 2016 for annual accounts for years starting on or after 1 January 2015, the average supplier payment period at 31 March 2022 and 2021 is as follows:

	2022 (days)	2021 (days)
Average supplier payment period	26	29
Ratio of paid transactions	32	29
Ratio of outstanding transactions	22	19
	Euros	Euros
Total payments	841,969	1,053,184
Total outstanding payments	52,889	38,574

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15. Other provisions for compensation to employees

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

  

	Euro	
	Provision for holiday and other remuneration	Total
<b>Opening balance 2021</b>	<b>182,583</b>	<b>182,583</b>
Transfers	139,561	139,561
Applications	(182,583)	(182,583)
<b>Closing balance 2021</b>	<b>139,561</b>	<b>139,561</b>

16. Tax situation

Set out below is an analysis of deferred tax:

	Euro	
	2022	2021
<b>Deferred tax assets:</b>		
- Tax losses carry forwards	254,699	305,212
- Temporary differences	43,085	34,505
<b>Deferred tax liabilities:</b>		
<b>Deferred taxes</b>	<b>297,784</b>	<b>339,717</b>

The movement in deferred taxes is as follows:

	Euro	
	2022	2021
<b>Deferred tax assets</b>		
<b>Opening balance</b>	<b>339,717</b>	<b>323,800</b>
Taken to the income statement	(41,933)	15,917
<b>Closing balance</b>	<b>297,784</b>	<b>339,717</b>

The Company has the following balances with Public Administrations:

	Euro	
	2022	2021
<b>Tax assets</b>		
Withholding Tax from international transaction	-	173,504
<b>Tax liabilities</b>		
Personal income tax	58,463	55,842
VAT	64,632	37,605
Social security	103,758	107,839
	<b>226,853</b>	<b>201,286</b>

**COFORGE, S.A.**
**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**  
**(Expressed in euro )**

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

	<b>2022</b>		
	<b>Additions</b>	<b>Decreases</b>	<b>Total</b>
Profit/(loss) before income tax	161,736	-	161,736
Permanent differences	6,000	-	6,000
Temporary differences arising during the year	167,035	-	167,035
Temporary differences arising in previous year	-	(132,715)	(132,715)
Compensation of tax losses			(202,056)
<b>Taxable base</b>			<b>-</b>

  

	<b>2021</b>		
	<b>Additions</b>	<b>Decreases</b>	<b>Total</b>
Profit/(loss) before income tax	(68,167)	-	(68,167)
Permanent differences	4,500	-	4,500
Temporary differences arising during the year	130,946	-	130,946
Temporary differences arising in previous year	-	(164,486)	(64,486)
<b>Taxable base</b>			<b>(97,207)</b>

Temporary differences are mainly due to the recognition of holidays accrued for the year ended 31 March 2022 and the amount reversed for the year ended 31 March 2021.

Income tax expense is analysed below:

	<b>Euro</b>	
	<b>2022</b>	<b>2021</b>
Current tax	-	-
Deferred tax	(41,934)	15,917
	<b>(41,934)</b>	<b>15,917</b>

Current income tax expense is calculated by applying a tax rate of 25% to the tax base, All the Company's tax returns for the last four years for the principal taxes to which it is subject are open to inspection by the tax authorities,

<b>Year</b>	<b>Tax los carryforwards</b>	
	<b>2022</b>	<b>2021</b>
2016-2017	343,265	545,321
2017-2018	578,324	578,324
2020-2021	97,207	97,207
	<b>1,018,796</b>	<b>1,220,852</b>

At the end of the 2022 financial year, the Company's Directors, through the analysis made by Management of the business plan used to prepare estimates of future taxable income, have estimated that the circumstances are fully met for the recognition of unused tax credits, temporary differences in tax and tax loss carryforwards and, accordingly, these assets have been recognised in the balance sheet.

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

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

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



**COFORGE, S.A.**
**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**
**(Expressed in euro )**
**17. Income and expenses**
**a) Revenue**

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

	<b>Euro</b>	
	<b>2022</b>	<b>2021</b>
Segmentation by category of activity		
Provision of services	8,096,289	9,110,545
	<b>8,096,289</b>	<b>9,110,545</b>
Segmentation by geographical market		
EEUU	128,713	84,115
Spain	2,975,571	4,060,207
Europe	4,992,006	4,966,223
	<b>8,096,289</b>	<b>9,110,545</b>

**b) Raw materials and consumables**

The breakdown of expenses relating to raw materials and other consumables at 31 March 2022 and 2021 is as follows:

	<b>Euro</b>	
	<b>2022</b>	<b>2021</b>
<b>Raw materials and consumables:</b>		
Subcontracted work	2,326,900	3,433,121
	<b>2,326,900</b>	<b>3,433,121</b>

**c) Staff costs**

	<b>Euro</b>	
	<b>2022</b>	<b>2021</b>
Wages, salaries and similar	3,899,997	3,674,207
Staff welfare costs	1,027,655	1,189,958
	<b>4,927,652</b>	<b>4,864,165</b>

At March 31, 2022 the line "Wages, salaries and similar remuneration" includes termination benefit costs of €233,816 (74,021 euros at March 31, 2021),

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

<b>Category</b>	<b>2022</b>	<b>2021</b>
Chief Administrative Officer	2	2
Administrative staff	2	2
Administrative assistant	-	1
Project leader	2	1
Team leader	35	38
Analyst	14	14
Analyst – Programmer	18	30
Programmer – Graphic designer	5	8
Architects	1	1
Tester	1	1
Systems technician	1	1
<b>TOTAL</b>	<b>81</b>	<b>99</b>

**COFORGE, S.A.**
**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022  
(Expressed in euro )**

The Company's employees are distributed as follows by gender at the year-end 2022 and 2021:

	2022			2021		
	Men	Women	Total	Men	Women	Total
Chief Administrative Officer	-	2	2	-	2	2
Administrative staff	1	1	2	1	1	2
Administrative assistant	-	-	-	1	-	1
Project leader	2	-	2	1	-	1
Team leader	25	10	35	27	11	38
Analyst	10	4	14	8	6	14
Analyst – Programmer	12	6	18	21	9	30
Programmer – Graphic designer	4	1	5	7	1	8
Architects	1	-	1	-	1	1
Tester	-	1	1	1	-	1
Systems technician	1	-	1	1	-	1
<b>TOTAL</b>	<b>56</b>	<b>25</b>	<b>81</b>	<b>68</b>	<b>31</b>	<b>99</b>

The average number of persons employed during the 2022 and 2021 financial year with a disability greater than or equal to 33%, broken down by category, is as follows:

Category	Male	Female	Total
Administrative	-	-	-
Programmer analyst	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**d) Other operating expenses**

The detail of Other operating expenses at 31 March 2022 and 2021 is as follows:

Other operating expenses	2022	2021
Rent and Royalties	200,526	188,195
Repairs and maintenance	40,292	51,694
Independent professional services	100,921	247,830
Insurance rates	8,955	8,640
Bank services	8,450	6,053
Advertising and public relations	282	786
Supplies	38,153	46,899
Other services	87,302	48,667
Other taxes	3,411	3,424
Allocation to the provision for impairment of trade receivables	-	45,521
	<b>488,292</b>	<b>647,709</b>

**18, Board of Directors and Senior Management**
Senior Management remuneration and loans

The detail of the remuneration accruing to the members of the Company's Board of Directors and senior management in the year ended at 31 March 2022 and 2021 is the following:

	Euro	
	2022	2021
Wages and salaries	115,482	109,746
	<b>115,482</b>	<b>109,746</b>

At 31 March 2022 and 2021 the Company had no pension commitments with respect to the former or current member of the Board of Directors.

**COFORGE, S.A.**
**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**
**(Expressed in euro )**

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

At 31 March 2022 and 2021 there were no advances or loans to senior management staff or to the members of the Board of Directors, nor had any guarantee obligations been assumed on their behalf.

At 31 March 2022 and 2021 there are no balances with shareholders and directors.

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

**19, Other related-party transactions**
**a) Sale of goods and provision of services**

	Euro	
	2022	2021
<b>Rendering of services:</b>		
COFORGE Ltd, UK. (Erstwhile NIIT Technologies Limited UK).	411,421	246,647
Coforge, INC. (Erstwhile NIIT Technologies INC)	173,614	84,115
Coforge Advantagego Ltd. (Erstwhile NIIT Insurance Technologies Ltd)	103,146	98,080
	<b>688,181</b>	<b>428,842</b>

**b) Goods purchased and services received**

	Euro	
	2022	2021
<b>Services received:</b>		
Coforge Ltd (Erstwhile NIIT Technologies Ltd.).	19,960	125,787
Coforge U.K. Ltd (Erstwhile NIIT Technologies Limited UK ).	173,451	247,234
Coforge, INC. (Erstwhile NIIT Technologies INC)	910,056	349,675
COFORGE Ltd., SEZ unit.1	1,001,897	1,224,585
COFORGE Ltd. (USA Branch)	3,417	11,841
COFORGE Ltd., SEZ unit.3	-	3,996
COFORGE Ltd., SEZ unit.4	-	1,057,708
	<b>2,108,781</b>	<b>3,020,826</b>

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

	Euro	
	2022	2021
<b>Accounts receivable from related parties</b>		
COFORGE Ltd. UK.	248,493	619,757
Coforge Advantagego Limited	28,605	89,180
COFORGE INC.	5,230	84,115
	<b>282,328</b>	<b>793,052</b>

	Euro	
	2022	2021
<b>Accounts payable to related parties</b>		
COFORGE Ltd.	2,666	12,635
Coforge U.K. Ltd	17,781	1,506,399
COFORGE Ltd. (USA Branch)	-	(32,933)
COFORGE Ltd., SEZ unit 1	120,470	270,877
COFORGE INC (Erstwhile NIIT Technologies INC)	141,721	121,205
Coforge Advantagego Limited	-	3,529
	<b>282,638</b>	<b>1,881,712</b>

**COFORGE, S.A.**

**NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

(Expressed in euro )

d) Year-end balances arising from Financial Loans

	Euro	
	2022	2021
<b>Short term debts with group entities</b>		
Coforge Limited.	-	100,000
COFORGE Advantage Go Ltd..	-	100,000
	-	<b>200,000</b>

This caption includes two intercompany loans granted by COFORGE Ltd UK and COFORGE Advantage Go Ltd on September 26, 2019 and June 27, 2019 respectively, amounting to €100,000 each one with an applicable interest annual rate of 2% and with a 6 months maturity. On March 10, 2021, the Company agreed with the Group related parties an extension of the expiration, establishing the new expiration date for both loans on December 31, 2021.

Assets are sold and services are rendered on the basis of current prices applicable to non-related third parties.

**20, Other information**

*Environment and greenhouse gas emission allowances*

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

In compliance with the changes brought in by the new Chart of Accounts, the Ministerial Order of 28 January 2009 (Official State Gazette of 10 February) and the Ruling of 6 April 2010 (Official State Gazette 84, 7 April), it is reported stated that the Company records no environmental items or greenhouse gas emission allowances.

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

*Audit Fees*

The audit fees accrued during the year by Ernst & Young, SL, for audit services totalled €30,960 (2021: €30,500). No other services have been invoiced by this firm or others using the same trademark.

*Guarantees or commitments with third parties*

At 31 March 2022 the Company has a bank guarantee that supports the lease of the offices located at street Mendez Alvaro N° 9 in Madrid.

At 31 March 2022 the Company does not hold any pledged assets.

At 31 March 2022 the Company has no commitments to purchase or sell fixed assets.

**21, Events after the balance sheet date**

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

**22, Prevalence of the Spanish version**

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

**COFORGE , S.A.**

**PREPARATION OF THE ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

More than two years have passed since the start of the pandemic. During this time there have been many changes both personally and professionally. During the year 2020 it seemed that everything was coming to an end, but in fiscal year 2021-2022 (FY22), an improvement has been noticed in our clients, projects and personnel. Although figures similar to those of 2019 are not expected to be established until 2023, the evolution of our Clients (Iberia) and their revenue are improving, which allows us to be contracted and increase our teams and benefits.

During the year 2021-2022, we have taken appropriate measures to prepare our staff for a gradual return to the 'new normal':

- Market-relevant trainings, both, language and technical-oriented, have been pushed.
- Project-related assignments have been adjusted, based on customer requirements, also including project work outside of Spain whenever possible.
- Some non-critical resources had to be released, reflecting the overall reduced demand after COVID-19, which has not yet fully recovered.

As far as the return to the physical office is concerned, we have been driving a dual approach:

- We have set up our office space with all recommended safety and hygiene measures in place. Therefore, anybody who would want to work from the office, again, can freely do so.
- For the time being, we are keeping this return voluntary.
- Also, we have negotiated an agreement with the employee representatives that has provided for the time being a fixed general monthly compensation for each employee. This temporary payment is intended to cover any potential extra costs employees may be facing due to working from home.

We know that despite the difficulties we have all experienced during the last two years, the desire to move forward and maintain the same level of services provided to our clients makes us stronger than ever before.

We would like to list down some other aspects regarding the previous fiscal year FY22:

- There are no significant events subsequent to the end of the year beyond those indicated in this report.
- Regarding the use of coverage products, the company does not have them.
- Note 5 of the report comments on the financial risk factors of the company.
- The company has not made investments in R&D during the 2021-2022 financial year.
- During the year there were no acquisitions of own shares, although the company has in portfolio those listed in the attached Balance Sheet amounting to 4.52% of the Capital Stock.
- Regarding the average payment period to suppliers, it is fully detailed in note 14 of the report.

**COFORGE , S.A.**

**PREPARATION OF THE ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

**PREPARATION OF ANNUAL ACCOUNTS:**

Pursuant to the provisions of the Spanish Companies Act, the Joint Administrators of COFORGE, S.A., on 29/06/2022, draw up these ordinary annual accounts for the year ended 31 March 2022, issued on 31 pages of ordinary paper including this page, and that will be submitted to the Shareholders in General Meeting for approval.

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Gautam Samanta  
Foreigner ID Y8109229-H  
Joint Administrator

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Kishore Krishnan  
Foreigner ID Y8979859-Y  
Joint Administrator

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