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PBL Financial Accounting(15B1NHS435)

**Annual Report**

**Analysis of Coforge Ltd.**

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**Analysis of Annual Report of Coforge**

The objective of this project is to analyze the financial performance, key projects, and sustainability initiatives Of COFORGE as reported in its annual report.



**Q. Give a brief description of the company. What is the accounting period of the company?**

[**Coforge**, formerly known as NIIT Technologies, is an Indian multinational information technology company based in Noida, India and New Jersey, United States](https://en.wikipedia.org/wiki/Coforge). [The company provides IT consulting and software services including intelligent automation, product engineering, application development, digital process automation, data and analytics, cybersecurity, and cloud services](https://www.bloomberg.com/profile/company/COFORGE:IN). [The accounting period of the company is from April 1 to March 313](https://www.google.com/finance/quote/COFORGE:NSE). [As per the latest reports, the total assets of the company have increased by 44.06%](https://www.tofler.in/coforge-limited/company/L72100DL1992PLC048753/financials). The net sales in December 2023 were Rs 2,323.30 crore, up 13.01% from Rs. [2,055.80 crore in December 2022](https://www.moneycontrol.com/news/business/earnings/coforge-ltd-consolidated-december-2023-net-sales-at-rs-2323-30-crore-up-13-01-y-o-y-12115221.html). [The net profit for the full year FY23 was Rs 693.8 crore, up 4.62 per cent from Rs 661.7 crore last year](https://www.business-standard.com/companies/results/coforge-fy23-revenue-up-24-6-to-rs-8-014-6-crore-profit-grows-4-6-123042700781_1.html).

**Q. Describe the financing, investing and operating activities of the company such as sources of**

**funds, utilization of funds and business operations etc.?**

Coforge has been involved in various financing, investing, and operating activities:

**Financing Activities:**

* [Coforge has been raising funds through equity reserves and surplus](https://www.coforge.com/hubfs/Fact%20Sheet%20-%20Q3FY24.pdf).
* [The company also has bank borrowings and other borrowings](https://www.coforge.com/hubfs/Fact%20Sheet%20-%20Q3FY24.pdf).
* [The company’s net worth as of December 31, 2023, was INR 34,944 million1](https://www.coforge.com/hubfs/Fact%20Sheet%20-%20Q3FY24.pdf).

**Investing Activities:**

* [Coforge has been investing aggressively in the front-end leadership and capability build to further drive accelerated growth](https://www.alphaspread.com/security/nse/coforge/earnings-calls/q3-2023).
* [The company’s gross margin went up 133 basis points (bps), which continues to allow it to invest in sales and marketing and back-end capability build](https://www.cnbctv18.com/earnings/coforge-q3-results-raises-fy23-revenue-growth-guidance-to-22-and-aims-to-hit-2-billion-15737391.htm).

**Operating Activities:**

* [Coforge reported robust order intake of $301 million in Q4FY23](https://images.moneycontrol.com/static-mcnews/2023/04/Coforge-28-04-2023-khan.pdf).
* [It signed 2 large deals during the quarter one each in BFS and Travel verticals](https://images.moneycontrol.com/static-mcnews/2023/04/Coforge-28-04-2023-khan.pdf).
* [The company’s revenue for the quarter was INR 23,233 million and $282 million](https://www.coforge.com/hubfs/Fact%20Sheet%20-%20Q3FY24.pdf).
* [Revenue was up 1.8% Q-o-Q in constant currency terms, 1.4% in USD and 2.1% in INR terms](https://www.coforge.com/hubfs/Fact%20Sheet%20-%20Q3FY24.pdf).
* [The company reported strong operating and financial performance marked by robust growth, margin expansion, and continued business momentum in a seasonally weak quarter](https://www.coforge.com/news-events/news/coforge-q3-2024-result).
* [Order intake was $354 million, eight consecutive quarters of $300+ million deal wins](https://www.coforge.com/news-events/news/coforge-q3-2024-result).
* [Total order book executable over the next 12 months at $974 million, up 15.8% Y-o-Y](https://www.coforge.com/news-events/news/coforge-q3-2024-result).
* [7 new clients were added during the quarter](https://www.coforge.com/news-events/news/coforge-q3-2024-result).
* [LTM attrition at 12.1%](https://www.coforge.com/hubfs/Fact%20Sheet%20-%20Q3FY24.pdf).
* [Offshore revenue contribution (IT revenue only) increased to 49.8%](https://www.coforge.com/news-events/news/coforge-delivers-a-strong-performance-in-q2-fy23.-pat-up-37.1-yoy).

**Q. What is the composition of board of directors? How many board members does the company**

**have? How many of them are company’s executives and how many are independent? What is the**

**background of independent directors ?**

[As of the last reported Annual General Meeting on July 6, 2023, **Coforge** **Limited** has eight directors](https://www.tofler.in/coforge-limited/company/L72100DL1992PLC048753). Here is the composition of the board of directors:

* [**Basab Pradhan** - Independent Director, Chairperson & Non-Executive Director](https://www.coforge.com/hubfs/Corporate_Governance_Report-1.pdf)
* [**Sudhir Singh** - Executive Director, CEO](https://www.coforge.com/hubfs/Corporate_Governance_Report-1.pdf)
* [**Hari Gopalakrishnan** - Non-Executive Director](https://www.coforge.com/hubfs/Corporate_Governance_Report-1.pdf)
* [**Patrick John Cordes** - Non-Executive Director](https://www.coforge.com/hubfs/Corporate_Governance_Report-1.pdf)
* [**Kenneth Tuck Kuen Cheong**- Non-Executive Director](https://www.coforge.com/hubfs/Corporate_Governance_Report-1.pdf)
* [**Kirti Ram Hariharan** - Non-Executive Director](https://www.tofler.in/coforge-limited/company/L72100DL1992PLC048753)
* [**Ashwani Kumar Puri** - Independent Director](https://www.tofler.in/coforge-limited/company/L72100DL1992PLC048753)
* [**Mary Beth Boucher** - Independent Director](https://www.tofler.in/coforge-limited/company/L72100DL1992PLC048753)
* The board consists of two executive directors (**Sudhir Singh**) and six non-executive directors. [Among the non-executive directors, three are independent directors (**Basab Pradhan, Ashwani Kumar Puri, Mary Beth** **Boucher**](https://www.coforge.com/hubfs/Corporate_Governance_Report-1.pdf)).

**Q. What are the future plans for growth of the company as per Management Discussion and Analysis Report?**

Coforge has outlined several key strategies for future growth:

* [**Revenue Growth**: Coforge is forecasted to grow earnings and revenue by 25.4% and 13.2% per annum respectively](https://simplywall.st/stocks/in/software/nse-coforge/coforge-shares/future). [The company has recently reached the milestone of $1 billion revenue in FY23 and now plans to double it further and reach the $2 billion mark in the next five years](https://www.coforge.com/coforge-investor-day).
* [**Scaling Up:** The company aims to double revenues within the next five years to $2 billion by scaling up key accounts and new verticals](https://images.moneycontrol.com/static-mcnews/2023/06/Coforge-20-06-2023-khan.pdf).
* [**Partnership-Led Growth and Acquisitions:** Coforge plans to use partnership-led growth and acquisitions as a part of its strategy to achieve its revenue target](https://images.moneycontrol.com/static-mcnews/2023/06/Coforge-20-06-2023-khan.pdf).
* [**Earnings Guidance:** The firm has reiterated its annual revenue guidance to grow at least 20% in constant currency terms and Adjusted EBITDA margin guidance between 18.5% and 19.0% for the fiscal year 2023](https://www.coforge.com/news-events/news/coforge-delivers-a-strong-performance-in-q2-fy23.-pat-up-37.1-yoy).

**Q. What is the company’s position as per auditors’ report? Are there any qualifications?**