Infosys Poland Sp. Z.o.o

Independent Auditor's Report

To the Shareholder of Infosys Poland Spółka z ograniczoną odpowiedzialnością

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Infosys Poland Spółka z ograniczoną odpowiedzialnością (the 'Company'), which comprise the balance sheet as at March 31, 2019, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements (the 'financial statements').

In our opinion, the accompanying financial statements:

- Give a true and fair view of the economic and financial position of the Company as at March 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with the applicable provisions of the Accounting Act of 29 September 1994 (the 'Accounting Act', Journal of Laws of 2019, item 351) and the adopted accounting policies;
- Comply, as regards their form and content, with the applicable laws and the articles of association of the Company;
- Have been prepared based on properly kept accounting records, in accordance with Section 2 of the Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') in a version adopted by the National Council of Statutory Auditors as the Polish Standards on Auditing ('PSAs') and in compliance with the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (the 'Act on Statutory Auditors', Journal of Laws of 2017, item 1089, as amended). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants ('IFAC Code'), adopted by resolution of the National Council of Statutory Auditors, together with the ethical requirements that are relevant to the audit of the financial statements in Poland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IFAC Code. Throughout the audit, both the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management Board for the Financial Statements

The Company's Management Board is responsible for the preparation – based on properly kept accounting records – of financial statements which give a true and fair view of the economic and financial position of the Company and of its financial performance in accordance with the provisions of the Accounting Act, the adopted accounting policies as well as the applicable laws and articles of association, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Board of the Company is obliged to ensure that the financial statements meet the requirements of the Accounting Act.

Auditor's Responsibilities for the Audit of the Financial Statements

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

The scope of an audit does not include an assurance about the future profitability of the Company or the effectiveness or efficiency of the Management Board in managing the Company's affairs at present or in the future.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board;
- Conclude on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Information, Including the Report on the Activities

Other information includes a report on the Company's activities in the financial year ended March 31, 2019 (the 'Report on the Activities').

Other information includes a report on the Company's activities in the financial year ended March 31, 2019 (the 'Report on the Activities'), together with a non-financial information statement, as referred to in Article 49b.1 of the Accounting Act, which constitutes a separate part of the report (together: the 'Other Information').

Responsibilities of the Management Board

The Company's Management Board is responsible for the preparation of the Report on the Activities in accordance with the applicable laws.

The Management Board is obliged to ensure that the Report on the Activities, meet the requirements of the Accounting Act.

Auditor's Responsibilities

Our opinion on the financial statements does not cover the Report on the Activities. In connection with our audit of the financial statements, our responsibility is to read the Report on the Activities and, in doing so, consider whether the Report on the Activities is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Report on the Activities, we are required to report that fact in our auditor's report. Additionally, under the Act on Statutory Auditors we are obliged to express an opinion on whether the Report on the Activities has been prepared in accordance with the applicable laws and whether it is consistent with the information contained in the financial statements. Additionally, we are obliged to state whether the Company has prepared a non-financial information statement.

Opinion on the Report on the Activities

Based on our work performed during the audit, we are of the opinion that the Report on the Activities:

- Has been prepared in accordance with Article 49 of the Accounting Act;
- Is consistent with the information contained in the financial statements.

Furthermore, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements of the Report on the Activities.

The key statutory auditor on the audit resulting in this independent auditor's report is Piotr Świętochowski.

Acting on behalf of Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered seat in Warsaw, entered under number 73 on the list of audit firms, in the name of which the financial statements have been audited by the key statutory auditor:

Piotr Świętochowski

Key statutory auditor

Registered under number: 90039

Warsaw, May 21, 2019

The above auditor's report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail. The translation is issued solely for the internal use of the Company and can not be forwarded to third parties without the consent of Deloitte Audyt Sp. z o.o. Sp. komandytowa.

Management Board's Representation

As required by the Article 52.1 of the Accounting Act of 29 September 1994 (Journal of Laws of 2018 item 395), the Management Board of Infosys Poland Sp. z o.o. (the 'Company') presents these financial statements comprising:

1. Introduction to the financial statements;
2. Balance sheet prepared as at 31 March 2019 with total assets and liabilities and equity of PLN 350,799,079.45;
3. Profit and loss account for the period from 1 April 2018 to 31 March 2019, disclosing a net profit of PLN 11,723,996.68;
4. Statement of changes in equity for the period from 1 April 2018 to 31 March 2019 disclosing an increase in equity of PLN 6,204,719.15;
5. Cash flow statement for the period from 1 April 2018 to 31 March 2019 disclosing an a net cash inflow of PLN 7,881,242.10;
6. Notes.

Kapil Jain
Chairman of the Board

Anup Kapoor
Member of the Board

Sampath Narayanan
Member of the Board

Management Board
Person in charge of the accounting records

Łódź - May 21, 2019

Introduction to the Financial Statements

1. Details of the Company

1.1 Company's name

Infosys Poland Sp. z o.o., hereinafter: Company

1.2 Registered office

ul. Pomorska 106A

91-402 Łódź

1.3 Entry in the National Court Register

Court:	District Court for Łódź–Śródmieście in Łódź, XX Division of the National Court Register
Date:	3 August 2007
Number:	KRS 0000285868

1.4 Core business and duration of the Company

In accordance with its Articles of Association, the Company's core business is:

- Computer programming (PKD 62.01.Z);
- Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20 Z);
- Data processing, hosting and related activities (PKD 63.11.Z).

The Company has been incorporated for an unlimited period of time.

1.5 Period covered by the financial statements

These financial statements cover the period from 1 April 2018 to 31 March 2019 and the comparative information is for the period from 1 April 2017 to 31 March 2018.

1.6 Going concern

These financial statements have been prepared on the basis that the Company is a going concern.

There are no circumstances indicating a threat to the Company's ability to continue as a going concern.

2. Major accounting principles

These financial statements have been prepared using the following accounting principles:

2.1 Basis for preparation of the financial statements

These financial statements have been prepared in accordance with the accounting policies applicable in Poland as set out in the Accounting Act of 29 September 1994 (Journal of Laws of 2018 item 395) and secondary legislation to the Accounting Act.

In the current financial year, the Company decided to change the accounting principles in relation to services not completed as at the balance sheet date irrespective of the duration of the service. The Company decided to recognize revenues from those services using stage of completion method, provided that the stage of completion and the expected total contract costs over the entire contract period can be measured reliably. The change of rules applies only to fixed priced contracts or contracts with fixed hours. In the Company's opinion, this method is better than revenue recognition based on issued invoices, because reflects in more accurate way company's operations and results.

2.2 Revenue and expenses

Revenues and expenses are recognized using the accrual method, i.e. in the year when they were generated or incurred, irrespective of the date of receiving or making the payment.

The Company records expenses and prepares the profit and loss account by nature of expense.

Sales revenue

The Company derives revenue primarily from the management of business processes, both on the basis of allocation of staff, fixed price agreed with the Client, number of hours or based on the unit price for a given activity. Revenue based on the allocation of staff is recognized when realized and the revenue realized from the date of the last invoice to the date of the balance sheet are recognized as unbilled revenue. Revenue based on the fixed price agreed with the Client or the number of hours is recognized at a reliabile amount, if they are probable. Revenue based on the unit price for a given activity are recognized as transactions based on measurable deliverables. Provisions for expected losses, if any, on unfulfilled contracts are recognized in the period in which the loss is probable, based on current estimates.

2.3 Interest income

Interest income is recognized using the effective interest rate.

2.4 Cash Flow Statement

The cash flow statement has been prepared using the indirect method.

2.5 Intangible assets

Intangible assets are valued in the books at their purchase prices or costs incurred for their generation, less amortization charges and impairment losses.

Intangible assets are amortized using the straight-line method and the following rates:

Intangible assets of more than PLN 3,500	50%
Goodwill	20%

The correctness of the amortization periods and rates applied to intangible assets should be periodically verified by the entity, which should lead to appropriate adjustment of the amortization expenses recognized in future periods.

2.6 Fixed assets

Fixed assets are valued in the books at their purchase prices or costs incurred for their generation (initial amount), less depreciation charges and impairment losses.

The cost of fixed assets and fixed assets under construction comprises total expenses incurred by the entity throughout the construction, assembly, adaptation and improvement of the assets until the date of their commissioning, including respective borrowing costs and exchange differences, less revenue generated on that basis.

The initial amount of a fixed asset is increased by the costs of its improvement consisting in remodelling, extension, modernization or reconstruction, following which the value in use of the fixed asset after improvement exceeds its value in use at the time when it was first made available for use.

Fixed assets are depreciated on a straight-line basis. Depreciation begins in the month in which the fixed asset becomes available for use.

The Company applies the following depreciation rates:

Computers	33.33%
furniture	20%
office equipment	20%
leasehold improvements	until the end of the contract no longer than five years

The correctness of the depreciation periods and rates applied to fixed assets should be periodically verified by the entity, which should lead to appropriate adjustment of the depreciation expenses recognized in future periods.

2.7 Investments

Investments are assets held in order to achieve economic benefits arising from an increase in their value, generate interest income, dividends (profit sharing) or other benefits, including from trading transactions, in particular financial assets, real property and intangible assets not used by the entity but held only in order to obtain these benefits.

2.8 Receivables, claims and liabilities not classified as financial assets and financial liabilities

Receivables are recognized at the amount due using the prudence principle. Receivables are revalued based on the probability of their repayment through recognition of an impairment loss which is charged to other operating expenses or financial expenses, depending on the type of receivable concerned. As a rule, receivables which are outstanding for more than 180 days of a respective invoice are subject to a valuation allowance charged to other operating expenses.

Liabilities are measured at the amount due.

Receivables and liabilities expressed in foreign currencies are recognized when incurred at the average exchange rate determined for a given currency by the National Bank of Poland as of the date immediately preceding that date.

As at the balance sheet date, foreign currency receivables and liabilities are measured at the average exchange rate determined for a given currency by the National Bank of Poland at that date.

2.9 Impairment of assets

As at each balance sheet date, it is verified whether there is any objective indication of impairment of an asset or a group of assets. If such an indication exists, the Company makes an estimate of the recoverable amount of the asset and recognizes an impairment loss at an amount of the difference between the recoverable amount and the carrying amount. Impairment losses are recognized in profit or loss. If the effects of the previous revaluation of assets were charged to the revaluation reserve, the loss reduces the reserve and the remaining portion of the loss is recognized in the profit and loss account.

2.10 Prepaid expenses and accruals

The Company recognizes prepaid expenses if they are related to future reporting periods. Accruals are recognized at the amount of probable liabilities pertaining to the current reporting period.

2.11 Provisions for liabilities

Provisions are liabilities with an uncertain due date or amount.

Retirement benefits

Under the Company's remuneration rules, employees are entitled to retirement benefits. Liabilities due to retirement benefits have been measured using the actuarial method and the discount rate based on market rate of return as at the end of the reporting period. Staff turnover is estimated based on historical data and expected staff levels.

2.12 Economic activity in Łódź Special Economic Zone

On 4 July 2013 the Company was granted permit No. 225 to operate in Łódź Special Economic Zone ('SEZ') and therefore is exempt from CIT due to the expenditures incurred in the Zone. The Company has fulfilled all the terms and conditions to become eligible for the tax exemption.

The income generated from the economic activities set out in the permit to operate in the economic zone is tax-exempt under Article 17.1.34 of the Corporate Income Tax Act.

The Company enjoys the tax exemption due to the new jobs it creates, in line with §3.1.2 of the Ordinance of the Council of Ministers on the criteria which need to be fulfilled to establish a special economic zone in a given area (Journal of Laws of 244, item 1477, as amended). The maximum amount of eligible expenses is PLN 45,460,396.80. The maximum amount of two-year labour costs is calculated based on the cost of labour of 390 newly hired employees.

In accordance with the permit, in Łódź SEZ the Company provides the following services set out in the Polish Classification of Goods and Services of the Central Statistical Office:

1. financial auditing services (69.20.1);

2. accounting services (69.20.2);

3. research and experimental development services in social sciences and humanities (72.2)

4. Computer programming, consultancy and related services (62.0) excluding computer games software originals (62.01.21)

The Company started the calculation of eligible expenses which make up the limit of the tax exemption in Łódź SEZ in May 2015.

On 30 December 2016 the Company was granted a new permit No. 302 to carry out extended operations in Łódź SEZ. In the audited period the Company did not start the fulfilment of the requirements set out in the permit.

2.13 Income tax

Income tax is recognized in the profit and loss account and it includes the current and the deferred portion.

The current income tax liability is calculated in accordance with the applicable tax regulations. The deferred portion recognized in the profit and loss account is the difference between the opening and closing balances of the deferred tax liability and assets.

The deferred tax assets and liability related to transactions charged to equity are also charged to equity.

The deferred tax asset is recognized at the amount to be deducted from the income tax in the future, due to deductible temporary differences that will reduce the income tax basis in the future and the deductible loss, determined in accordance with the prudence principle. The deferred income tax is recognized in line with the National Accounting Standard 2.

The deferred tax liability is recognized in the amount of income tax payable in the future, arising from taxable temporary differences that will increase the income tax basis in the future.

The deferred tax assets and liability are determined by reference to the income tax rates effective in the year when the tax obligation arises.

The deferred tax liability and assets are not set off for the purposes of presentation in the financial statements.

2.14 Exchange differences

Exchange differences as at the balance sheet date arising from the measurement of assets and liabilities denominated in foreign currencies and resulting from payment of receivables or liabilities denominated in foreign currencies and sale of currency are classified to financial revenue or expenses, respectively, and — where reasonable — to the cost of products, goods, as well fixed assets, fixed assets under construction and intangible assets.

Exchange rates applied to the measurement of items denominated in foreign currencies (in PLN):

Particulars	Balance Sheet	
	31.03.2019	31.03.2018
AED	1.0377	0.9244
AUD	2.7174	2.6288
CHF	3.8513	3.5812
CZK	0.1666	0.1659
EUR	4.3013	4.2085
DKK	0.5761	0.5646
GBP	4.9960	4.7974
INR	0.0554	0.0524
NOK	0.4433	0.4361
HRK	0.5789	0.5660
MXN	0.1986	0.1880
SEK	0.4130	0.4097
USD	3.8365	3.4139
ZAR	0.2639	0.2886
RON	0.9029	0.9034
SGD	2.8292	2.6064
HUF	0.0134	0.0135
RUB	0.0593	0.0594
TRY	0.6802	0.8625

2.15 Financial instruments

2.15.1 Classification of financial instruments

Financial instruments are recognized and measured in line with the Ordinance of the Minister of Finance of 12 December 2001 on detailed principles of recognition, measurement methods, scope of disclosure and presentation of financial instruments. The financial asset measurement and disclosure principles as described below do not apply to financial instruments which do not fall within the scope of the Ordinance, including, in particular, shares in controlled entities, rights and obligations arising from lease and insurance contracts, trade receivables and liabilities and financial instruments issued by the entities and classified as their equity instruments.

Financial assets comprise:

- Financial assets held for trading
- Loans and receivables;
- Financial assets held to maturity;
- Financial assets available for sale.

Financial liabilities comprise:

- Financial liabilities held for trading;
- Other financial liabilities.

2.15.2 Principles of measurement and recognition of financial instruments

Financial assets are recognized in the accounting records at the contract date at cost, i.e. the fair value of expenses incurred or other assets transferred in exchange, whereas financial liabilities — at the fair value of the amount obtained or the value of other assets received. The fair value is determined as at that date considering the transaction costs incurred by the Company.

2.15.3 Financial assets held for trading

Financial assets held for trading include derivative financial instruments.

Financial assets held for trading are measured at fair value whereas the effects of periodic measurement of financial assets are classified as financial revenues or expenses of the reporting period during which the revaluation took place, respectively.

2.15.4 Loans and receivables

Loans and receivables include — regardless of their maturity — financial assets arising as a result of direct provision of cash to the other party to a contract.

Loans and receivables are measured at the amount due.

2.15.5 Financial assets available for sale

Financial assets available for sale are assets, other than derivatives, which have been classified to this category or have not been classified to any other category. Financial assets available for sale, whose fair value cannot be reliably determined, are measured at cost.

2.15.6 Financial liabilities

Financial liabilities held for trading, including derivatives which have not been designated as hedging instruments, are recognized at fair value, whereas gains and losses resulting from their measurement are recognized directly in the profit and loss account.

Other financial liabilities are measured at adjusted cost, i.e. using the effective interest rate method.

2.16 Methods and key assumptions underlying the calculation of the fair value of financial assets and liabilities measured at such fair value

The fair value is the amount for which an asset could be exchanged and a liability settled on arm's length terms between willing and well-informed parties.

The fair value is calculated by estimation of the price of the financial instrument using generally accepted esimation methods.

Kapil Jain
Chairman of the Board

Anup Kapoor
Member of the Board

Sampath Narayanan
Member of the Board

Management Board
Person in charge of the accounting records

Łódź - May 21, 2019

Balance Sheet

In PLN

Particulars	Note	31.03.2019	31.03.2018
ASSETS			
NON-CURRENT ASSETS		43,928,413.46	58,222,383.51
Property, plant and equipment	2		
Fixed assets		5,190,308.06	5,663,419.25
buildings, premises, civil engineering structures		565,998.34	563,886.46
technical equipment and machines		4,151,615.65	4,474,917.63
other fixed assets		472,694.07	624,615.16
		5,190,308.06	5,663,419.25
Long-term receivables			
Receivables from other entities		11,407,178.00	–
		11,407,178.00	–
Long-term investments	6		
Long-term financial assets		12,974,676.24	36,906,540.00
in other entities		12,974,676.24	36,906,540.00
		12,974,676.24	36,906,540.00
Long-term prepayments			
Deferred tax assets	14.4	14,356,251.16	15,652,424.26
		14,356,251.16	15,652,424.26
CURRENT ASSETS		306,870,665.99	284,992,297.85
Short-term receivables			
Receivables from related parties		985,616.13	1,621,029.39
trade receivables	3.1	985,616.13	1,621,029.39
Receivables from other entities		50,441,028.13	63,422,025.02
trade receivables	3.2	39,988,719.48	60,927,614.50
due to tax, grants, customs duty, social insurance, health insurance and other benefits	3.4	2,208,372.20	468,356.02
other	3.4	8,243,936.45	2,026,054.50
		51,426,644.26	65,043,054.41
Short-term investments			
Short-term financial assets		254,741,815.45	219,824,990.89
in related parties	4.1	43,157,865.78	20,397,070.36
in other entities	4.2	45,148,130.14	25,110,858.90
cash and other monetary assets	4.3	166,435,819.53	174,317,061.63
		254,741,815.45	219,824,990.89
Short-term prepayments	5	702,206.28	124,252.55
TOTAL ASSETS		350,799,079.45	343,214,681.36

Balance Sheet

In PLN

Particulars	Note	31.03.2019	31.03.2018
EQUITY AND LIABILITIES			
EQUITY			
Share capital			
Supplementary capital	8.1	2,500,000.00	2,500,000.00
Profit/Loss brought forward		276,103,333.02	241,336,404.63
		(5,519,277.52)	–
Net profit (loss)		11,723,996.68	34,766,928.39
		284,808,052.18	278,603,333.02
LIABILITIES AND PROVISIONS FOR LIABILITIES		65,991,027.27	64,611,348.33
Provisions for liabilities			
Deferred tax liability	14.4	714,050.69	367,837.69
Provision for retirement and similar benefits	9.1	21,073,717.65	17,288,793.81
long-term		826,101.00	686,259.00
short-term		20,247,616.65	16,602,534.81
Other provisions		3,213,688.00	2,563,171.00
short-term	9.2	3,213,688.00	2,563,171.00
		25,001,456.34	20,219,802.50
Short-term liabilities			
To related parties		278,426.04	1,082,707.38
trade liabilities	10.1	278,426.04	1,082,707.38
To other entities		22,008,977.64	21,708,806.45
other financial liabilities	9.4	548,900.00	51,200.00
trade liabilities	10.2	3,875,415.06	1,833,398.34
liabilities due to tax, customs duty, insurance and other payments	10.3	9,172,254.51	11,769,963.66
salaries and wages		8,412,408.07	8,054,244.45
Special funds		71,323.98	491,180.35
		22,358,727.66	23,282,694.18
Accruals			
Other accruals		18,630,843.27	21,108,851.65
long-term	11.1	6,990,214.89	8,343,583.77
short-term	11.2	11,640,628.38	12,765,267.88
		18,630,843.27	21,108,851.65
TOTAL EQUITY AND LIABILITIES		350,799,079.45	343,214,681.36

Kapil Jain
Chairman of the Board

Anup Kapoor
Member of the Board

Sampath Narayanan
Member of the Board

Management Board
Person in charge of the accounting records

Łódź - May 21, 2019

Profit and loss account

In PLN

Particulars	Note	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Net sales revenue and equivalent	12		
from related parties		19,663,688.02	10,388,971.76
Net revenue from sales of services		269,013,692.06	288,238,979.55
		269,013,692.06	288,238,979.55
Operating expenses			
Amortization/depreciation		(3,322,446.99)	(5,217,639.53)
Consumption of materials and energy		(752,670.56)	(791,056.64)
External services		(31,565,682.36)	(35,269,444.55)
Taxes and charges		(2,985,946.92)	(2,954,770.21)
Salaries and wages		(163,227,322.46)	(156,122,659.79)
Social security and other benefits		(33,384,593.24)	(34,807,028.38)
Other expenses		(4,379,833.89)	(4,291,895.23)
Value of goods and materials sold		(11,699.86)	(117,884.88)
		(239,630,196.28)	(239,572,379.21)
Profit on sales		29,383,495.78	48,666,600.34
Other operating revenue			
Profit from disposal of non-financial fixed assets		1,080.00	–
Revaluation of non-financial assets		–	961,542.57
Other		135,203.70	234,773.64
		136,283.70	1,196,316.21
Other operating expenses			
Revaluation of non-financial assets		–	(116,836.44)
Other		(943,483.93)	(123,171.33)
		(943,483.93)	(240,007.77)
Profit on operating activities		28,576,295.55	49,622,908.78
Financial revenue			
Interest	13	3,797,162.11	3,330,113.67
from related parties		1,071,765.41	959,049.28
Other		3,236,122.21	1,498,000.00
		7,033,284.32	4,828,113.67
Financial expenses			
Interest		(15,658.67)	(2,566,889.07)
Loss on disposal of investment		(12,818,021.95)	(1,311,289.13)
Other		(4,024,300.00)	(7,122,240.35)
		(16,857,980.62)	(11,000,418.55)
Profit on economic activities		18,751,599.25	43,450,603.90
Gross profit		18,751,599.25	43,450,603.90
Income tax	14	7,027,602.57	(8,683,675.51)
Net profit		11,723,996.68	34,766,928.39

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Member of the Board

Sampath Narayanan
Member of the Board

Management Board
Person in charge of the accounting records

Łódź - May 21, 2019

Statement of Changes in Equity

In PLN

Particulars	Note	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Opening balance of equity		278,603,333.02	243,836,404.63
Opening balance of share capital	8.1	2,500,000.00	2,500,000.00
Closing balance of share capital		2,500,000.00	2,500,000.00
Opening balance of supplementary capital		241,336,404.63	187,640,238.78
Changes in supplementary capital			
increases		34,766,928.39	53,696,165.85
Profit distribution		34,766,928.39	53,696,165.85
Closing balance of supplementary capital		276,103,333.02	241,336,404.63
Opening balance of loss from previous years			
increases		(5,519,277.52)	–
change of accoulnting principles		(5,519,277.52)	–
Closing balance of loss from previous years		(5,519,277.52)	–
Net profit/loss			
net profit		11,723,996.68	34,766,928.39
Closing balance of equity		284,808,052.18	278,603,333.02
Equity, after proposed profit distribution	8.2	284,808,052.18	278,603,333.02

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Łódź - May 21, 2019

Cash Flow Statement

In PLN

Particulars	Note	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		11,723,996.68	34,766,928.39
Total adjustments:			
Amortization/depreciation		3,322,446.99	5,217,639.53
Foreign exchange gains (losses)		(3,220,450.10)	2,686,844.11
Interest and distribution of profit (dividends)		(3,742,409.23)	(2,980,385.84)
Profit (loss) on investing activities	16.1	12,817,055.57	(1,388,300.00)
Changes in provisions		4,781,653.83	2,845,461.69
Changes in receivables		19,320,000.05	14,297,171.47
Changes in short-term liabilities, excluding loans	16.2	(1,421,666.51)	706,851.05
Changes in prepayments/accruals		(1,759,789.01)	188,631.07
Investments (in other entities)			(14,329,910.87)
Other adjustments	16.4	(5,519,277.53)	(104,900.00)
		24,577,564.06	7,139,102.21
NET CASH FROM OPERATING ACTIVITIES		36,301,560.74	41,906,030.60
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds		34,329,605.14	62,896,884.02
Disposal of intangible assets and property, plant and equipment		1,080.00	–
From financial assets, including:		34,328,525.14	61,508,584.02
in related parties		959,049.29	–
investments		–	–
interest		959,049.29	–
in other entities		33,369,475.85	61,508,584.02
proceeds from deposits maturing in more than three months		25,000,000.00	45,000,000.00
investments		5,698,832.03	14,329,910.87
interest		2,670,643.82	2,178,673.15
Other proceeds from investing activities			1,388,300.00
Payments		(79,010,107.98)	(49,041,190.68)
Acquisition of intangible assets and property, plant and equipment	16.3	(2,849,449.43)	(1,132,644.91)
For financial assets, including:		(76,160,658.55)	(47,908,545.77)
in related parties		(19,907,524.58)	(19,362,980.77)
loans		(19,907,524.58)	(19,362,980.77)
in other entities		(56,253,133.97)	(28,545,565.00)
acquisition of financial assets		(56,253,133.97)	(28,545,565.00)
NET CASH FROM INVESTING ACTIVITIES		(44,680,502.84)	13,855,693.34
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds		497,700.00	–
other		497,700.00	–
NET CASH FROM FINANCING ACTIVITIES		497,700.00	–
TOTAL NET CASH FLOWS		(7,881,242.10)	55,761,723.94
NET INCREASE IN CASH		(7,881,242.10)	55,761,723.94
OPENING BALANCE OF CASH		174,317,061.63	118,555,337.69
CLOSING BALANCE OF CASH	4.3	166,435,819.53	174,317,061.63

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Łódź - May 21, 2019

Notes

1. Intangible assets

Change in the balance of intangible assets

In PLN

Particulars	Goodwill	Other intangible assets	Total
Gross value			
01.04.2018	21,445,874.68	462,667.52	21,908,542.20
Increases	–		–
Decreases	–	–	–
31.03.2019	21,445,874.68	462,667.52	21,908,542.20
Amortization			
01.04.2018	(21,445,874.68)	(462,667.52)	(21,908,542.20)
Increases	–	–	–
Decreases	–	–	–
31.03.2019	(21,445,874.68)	(462,667.52)	(21,908,542.20)
Net value			
01.04.2018	–	–	–
31.03.2019	–	–	–

2. Property, plant and equipment

2.1 Change in fixed assets

In PLN

Particulars	Buildings, premises, civil engineering structures	Technical equipment and machines	Other tangible items	Total
Gross value				
01.04.2018	10,563,154.52	22,109,611.16	5,167,648.55	37,840,414.23
Increases	417,436.74	2,120,245.56	311,778.00	2,849,460.30
Decreases	–	(869,238.11)	(54,815.55)	(924,053.66)
31.03.2019	10,980,591.26	23,360,618.61	5,424,611.00	39,765,820.87
Accumulated depreciation				
01.04.2018	(9,999,268.06)	(17,634,693.53)	(4,543,033.39)	(32,176,994.98)
Increases	(415,324.86)	(2,443,510.30)	(463,622.70)	(3,322,457.86)
Decreases	–	869,200.87	54,739.16	923,940.03
31.03.2019	(10,414,592.92)	(19,209,002.96)	(4,951,916.93)	(34,575,512.81)
Net value				
01.04.2018	563,886.46	4,474,917.63	624,615.16	5,663,419.25
31.03.2019	565,998.34	4,151,615.65	472,694.07	5,190,308.06

2.2 Fixed assets not depreciated

The value of fixed assets used by the Company under leases, rental or similar agreements, including operating leases, not recognized under assets is PLN 964,5 thousand (PLN 1,113.9 thousand in the prior reporting period). The gross value of such assets has been taken from lease, rental or similar agreements concluded.

3. Short-term receivables

3.1 Ageing analysis of short-term trade receivables from related parties

Particulars	31.03.2019	31.03.2018
Maturing:		
Up to 12 months	985,616.13	1,621,029.39
	985,616.13	1,621,029.39
Balance of gross receivables	985,616.13	1,621,029.39
Balance of net receivables	985,616.13	1,621,029.39

3.2 Ageing analysis of short-term trade receivables from other entities

Particulars	31.03.2019	31.03.2018
Maturing:		
Up to 12 months	39,988,719.48	60,908,397.50
Over 12 months	–	19,217.00
	39,988,719.48	60,927,614.50
Balance of gross receivables	41,368,531.97	61,551,699.89
Impairment write-offs on receivables	(1,379,812.49)	(624,085.39)
Balance of net receivables	39,988,719.48	60,927,614.50

3.3 Impairment losses on short-term trade receivables

Particulars	Other entities
01.04.2018	624,085.39
Increases	1,379,812.49
Reversed	(624,085.39)
31.03.2019	1,379,812.49

3.4 Receivables from other entities

Particulars	31.03.2019	31.03.2018
due to tax, grants, customs duty, social security, health insurance and other benefits	2,208,372.20	468,356.02
VAT	939,651.91	468,356.02
CIT	1,268,720.29	
Other	8,243,936.45	2,026,054.50
	10,452,308.65	2,494,410.52
Other receivables from other entities include mainly:		
receivables from the sale of the Vertex Investment along with the valuation (short-term part)		5,703,589.9
bail for renting office space and business flats		2,400,962.2
other		139,384.3
		8,243,936.5

4. Short-term investments

4.1 Short-term financial assets in related parties

Particulars	31.03.2019	31.03.2018
Originated loans:	43,157,865.78	20,397,070.36
	43,157,865.78	20,397,070.36

Under agreement dated 8 October 2016, on 22 December 2016 the Company disbursed a loan to Infosys Technologies (China) Cp. Ltd, a related company, of USD 700,000.00.

Under agreement dated 27 March 2017, on 11 May 2017 the Company disbursed a loan to Infosys Technologies (Shanghai) Cp. Ltd, a related company, of USD 5,000,000.00.

Under agreement dated 12 November 2018, on 15 November 2018 the Company disbursed a loan to Infosys Technologies to Brasil Ltda., a related company, of USD 5,000,000.00.

4.2 Short-term financial assets in other entities

Particulars	31.03.2019	31.03.2018
Deposits maturing in more than three months	45,148,130.14	25,005,958.90
Other short-term financial assets — forwards		104,900.00
	45,148,130.14	25,110,858.90

4.3 Cash and other monetary assets

Particulars	31.03.2019	31.03.2018
Cash in hand and at bank	10,947,029.13	13,791,090.40
Other cash	155,488,790.40	160,525,971.23
	166,435,819.53	174,317,061.63

5. Short-term prepayments

Particulars	31.03.2019	31.03.2018
Gifts/vouchers not handed out	18,870.00	4,460.00
Service contracts	337,008.98	
Accident and civil liability insurance	40,524.11	36,875.00
Subscription/access to databases	305,803.19	64,183.46
Licenses	–	–
Prepayments		22,105.71
Social Fund	–	–
Measurement		(3,371.62)
Other		
	702,206.28	124,252.55

6. Long-term investments in other entities

Particulars	31.03.2019	31.03.2018
Financial assets available for sale		
Investment in Vertex Venture	–	30,780,990.00
Tidalscale investment	12,974,676.24	6,125,550.00
	12,974,676.24	36,906,540.00

In the financial year, the investment expenditures incurred in Tidalscale have been reclassified to preference shares in accordance with the provisions of the agreement concluded on August 4, 2016. In addition, the Company purchased shares in the amount of PLN 5,502,750.00.

Under agreement dated 11 January 2019, the Company sold investment expenditures in Vertex Ventures and incurred a loss of PLN 14,281,545.45 zł

7. Long-term receivables from other entities

In the given balance sheet item, the Company presented a long-term portion of receivables from the sale of Vertex investments. This is the last tranche - in the amount of 50% of the total amount due for the sale of investments, amounting to PLN 11,407,178.00

8. Equity

8.1 Ownership structure of the share capital

In PLN

Shareholder	Number of shares	Face value of shares	% interest
Infosys BPM Limited (previously: Infosys BPO Limited)	5,000	2,500,000	100%
	5,000	2,500,000	100%

8.2 Proposed distribution of profit for the financial year

The financial statements were drawn up before the decision regarding the distribution of profit for the current year was made. The Management Board has proposed that the profit for the financial year be used to increase the supplementary capital.

9. Provisions

9.1 Provisions for retirement and similar benefits

Particulars	Retirement benefits	Other	Total
01.04.2018	686,259.00	16,602,534.81	17,288,793.81
Increases	826,101.00	20,247,616.65	21,073,717.65
Used	–	(16,602,534.81)	(16,602,534.81)
Reversed	(686,259.00)		(686,259.00)
31.03.2019	826,101.00	20,247,616.65	21,073,717.65
including:			
long-term	826,101.00	–	826,101.00
short-term	–	20,247,616.65	20,247,616.65
Other short-term provisions for employee benefits include (by basis):			

Particulars	Retirement benefits	Other	Total
provision for unused annual leave		11,207,584.94	
provisions for bonuses		6,920,296.39	
provision for retirement and disability benefits		826,101.00	
provision for overtime		1,945,097.61	
other provisions		174,637.70	
		21,073,717.64	

9.2 Other short-term provisions

Other short-term provisions have been made for any taxable interest on the returned subsidy.

Particulars	Other	Total
01.04.2018	2,563,171.00	2,563,171.00
Increases	650,517.00	650,517.00
31.03.2019	3,213,688.00	3,213,688.00

10. Short-term liabilities

10.1 Short-term trade liabilities to related parties of PLN 278,426.04 are due within 12 months from the balance sheet date.

10.2 Short-term trade liabilities to other entities of PLN 3,875,415.07 are due within 12 months from the balance sheet date.

10.3 Short-term liabilities due to taxes, customs duty, incurance and other benefits

Particulars	31.03.2019	31.03.2018
PIT-4 settlements	1,222,337.62	2,129,180.12
Social security settlements	7,949,918.27	9,501,785.38
CIT-8 settlements		19,055.91
WHT settlements	(1.38)	119,942.25
	9,172,254.51	11,769,963.66

10.4 Short-term liabilities — other financial liabilities to other entities

Particulars	31.03.2019	31.03.2018
Measurement of financial instruments	548,900.00	51,200.00
	548,900.00	51,200.00

11. Other accruals

11.1 Long-term accruals

Particulars	31.03.2019	31.03.2018
Deferred discount received due to a rent — long-term portion	6,990,214.89	8,343,583.77
	6,990,214.89	8,343,583.77

11.2 Short-term accruals

Particulars	31.03.2019	31.03.2018
Provision for the costs of business trips	4,625.00	81,119.66
Deferred discount received due to a rent — short-term portion	1,695,247.59	942,019.74
Deferred income — EU subsidy	8,130,452.55	8,130,452.55
Other	1,810,303.24	3,611,675.93
	11,640,628.38	12,765,267.88

12. Sales revenue

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Geographic information		
Revenue from sales of services		
Domestic	30,652,518.81	35,004,276.73
Exports	238,361,173.29	253,234,702.82
	269,013,692.10	288,238,979.55
Revenue by type		
Revenue from sales of products		
Services	269,013,692.10	288,238,979.55
	269,013,692.10	288,238,979.55

13. Interest income

(including those arising from debt financial instruments, loans and receivables)

from 1 April 2018 to 31 March 2019

Particulars		Unrealized interest, due within			
	Realized interest	up to 3 months	3–12 months	over 12 months	Total
Loans and receivables	2,620,406.29	(37,180.83)	1,213,936.65	–	3,797,162.11
	2,620,406.29	(37,180.83)	1,213,936.65	–	3,797,162.11

from 1 April 2017 to 31 March 2018

Particulars		Unrealized interest, due within			
	Realized interest	up to 3 months	3–12 months	over 12 months	Total
Loans and receivables	2,185,137.95	343,263.01	801,712.71	–	3,330,113.67
	2,185,137.95	343,263.01	801,712.71	–	3,330,113.67

14. Corporate income tax

14.1 CIT structure

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Current income tax	3,895,153.08	6,992,250.00
Additional prior year tax liabilities	195,418.00	355,778.00
Change in deferred income tax	1,642,386.09	1,335,647.51
Change in accounting priciples	1,294,645.40	–
	7,027,602.57	8,683,675.51

14.2 Calculation of corporate income tax

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Gross profit	33,324,587.46	43,450,603.90
Increases in the tax basis	36,062,776.54	41,311,237.09
Decreases in the tax basis	39,498,238.07	33,346,856.92
Taxable income	29,889,125.93	51,414,984.07
Tax basis	29,889,125.93	51,414,984.07
Income tax	5,678,933.94	9,768,847.00
SEZ tax credit	(1,783,780.86)	(2,776,597.00)
Income tax recognized in profit or loss	3,895,153.08	6,992,250.00

14.3 Calculation of corporate income tax from income from capital gains

Particulars	01.04.2018 -31.03.2019
Income from capital gains	18,854,318.02
Incurred costs related to obtaining income	(33,427,306.23)
Loss	(14,572,988.21)

14.4 Deferred income tax

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Deductible temporary differences:		
Provision for annual leave	11,207,584.94	9,394,933.35
Provision for bonuses, overtime, retirement and disability benefits	6,920,296.39	6,075,623.80
Accrued exchange losses	316,269.74	2,963,329.61
Provisions for other costs	15,760,024.07	21,448,136.03
Fixed assets	2,167,521.60	2,882,451.78
Measurement of derivatives	648,900.00	–
SEZ tax credit	31,103,402.85	39,616,707.37
Reserve for additional after-sales services	933,343.04	
Provision for unfinished services	6,501,874.01	–
	75,559,216.64	82,381,181.94
Gross deferred tax assets	14,356,251.16	15,652,424.26
Net deferred tax assets	14,356,251.16	15,652,424.26
Taxable temporary differences:		
Accrued exchange gains	1,090,426.26	445,005.07
Measurement of derivatives	636,920.54	531,930.13
Interest accrued on deposits	2,030,814.70	959,049.29
	3,758,161.50	1,935,984.49
Deferred tax liability	714,050.69	367,837.05
Deferred tax assets recognized in the balance sheet	14,356,251.16	15,652,424.26
Deferred tax liability recognized in the balance sheet	714,050.69	367,837.05
	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Net balance sheet change in deferred tax assets/liability	(1,642,386.09)	(1,335,647.50)
Change in deferred tax charged to profit or loss	(1,642,386.09)	(1,335,647.50)

15. Expenditure on non-current non-financial assets

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Expenditure on non-current non-financial assets:		
– incurred in the current year	2,849,460.30	1,132,644.91
– planned	3,606,310.00	1,200,000.00

16. Explanations to the cash flow statement

16.1 (Gain)/loss on investments

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Other — (gain)/loss on forwards	12,817,055.57	(1,388,300.00)
	12,817,055.57	(1,388,300.00)

16.2 Change in short-term liabilities (except for credit facilities and loans)

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Change in short-term liabilities	(1,421,666.51)	706,851.05
Change in liabilities due to acquisition of property, plant and equipment and investments	–	154,948.92
Change in other financial liabilities due to measurement of forwards	–	109,700.00
	(1,421,666.51)	971,499.97

16.3 Acquisition of intangible assets and property, plant and equipment

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Increases in fixed assets	(2,808,618.91)	(1,132,644.91)
Change in fixed assets under construction	–	–
Change in liabilities due to acquisition of property, plant and equipment	(40,830.52)	(154,948.92)
	(2,849,449.43)	(1,287,593.83)

16.4 Other adjustments

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Other — due to measurement of forwards	–	(109,700.00)
	–	(109,700.00)

17. Related party transactions

17.1 Payment of receivables and liabilities as at the balance sheet date

Particulars	Liabilities	Receivables	Loans to
Infosys Ltd - Indie	130,000.04	784,188.83	–
Infosys BPM Limited - Indie (włączając przedstawicielstwo w Holandii, Wielkiej Brytani i Singapore)	14,296.30	219,559.37	–
Infosys Consulting BV		(17,936.60)	–
Edgeverve	122,588.43		–
Infosys (Czech Republic) Limited s.r.o.	11,541.27	(195.47)	–
Infosys Technologies (China) Company Limited	–	–	2,923,754.56
Infosys Technologies (Shnaghai) Company Limited	–	–	20,763,610.96
Infosys Technologia Brazil			19,470,500.26
	278,426.04	985,616.13	43,157,865.78

17.2 Revenue from related party transactions in the financial year

Particulars	Sales revenue
Infosys Ltd - Indie	15,730,401.05
Infosys BPM Limited (dawniej Infosys BPO Limited) - Indie	3,665,640.49
Infosys Consulting AG	121,587.99
Infosys (Czech Republic) Limited s.r.o.	146,058.49
	19,663,688.02

17.3 Cost of related party transactions in the financial year

Particulars	Purchase of services
Infosys Ltd - Indie	38,938.22
Infosys (Czech Republic) Limited s.r.o.	501,454.60
Infosys BPM Limited (dawniej Infosys BPO Limited)- Indie (włączając przedstawicielstwo w Holandii, Wielkiej Brytani i Singapore)	124,989.82
Portland Group Ltd	225.40
Edgeverve Systems Limited - Indie	(16,680.18)
	648,927.86

18. Material related-party transactions concluded by the Company on non-arm's length terms

There were no material related-party transactions that would be concluded on non-arm's length terms

19. Staff

Average number of staff in the financial year

Office employees	2,117
	2,117

20. Salaries, loans and similar benefits to members of management, supervisory and administrative bodies

In the current and prior reporting periods, members of the management, supervisory and administartive bodies did not receive any loans or similar benefits. Moreover, during the current year such persons did not receive any salary.

21. Fee paid or payable to the entity authorized to audit financial statements

Particulars	01.04.2018 -31.03.2019	01.04.2017 -31.03.2018
Fee for the audit of annual financial statements	58,067.55	56,307.15

22. Events pertaining to prior years disclosed in the financial statements for the current year

In the current financial year, the Company decided to change the accounting principles in relation to services not completed as at the balance sheet date irrespective of the duration of the service. The Company decided to recognize revenues from those services using stage of completion method, provided that the stage of completion and the expected total contract costs over the entire contract period can be measured reliably. The change of rules applies only to fixed priced contracts or contracts with fixed hours. In the Company's opinion, this method is better than revenue recognition based on issued invoices, because reflects in more accurate way company's operations and results.

Particulars	01.04.2017 - 31.03.2018	
	Closing balance after changes	Closing balance before changes
Net revenues from the sale of services	281,425,056.62	288,238,979.55
Trade receivables from other entities	54,113,691.57	60,927,614.50
Deferred income tax asset	16,947,069.66	15,652,424.26
Income tax	7,389,030.11	8,683,675.51

23. Events related to previous years disclosed in the financial statements of the financial year

There were no events related to previous years, which were recognized in the financial statements for the financial year.

24. Post-balance sheet events not recognized in the financial statements

There were no material post-balance sheet events not recognized in the financial statements.

25. Consolidated financial statements

The consolidated financial statements at the highest level of the capital group, within which the Company operates as a subsidiary, are prepared by Infosys Limited with its registered office in India, Electronics City, Hosur Road, Bengaluru.

The consolidated financial statements at the lowest level of the capital group, within which the Company operates as a subsidiary, which also belongs to the capital group referred to above, are prepared by Infosys BPM Limited (previously: Infosys BPO Limited) with its registered office in India, Electronics City, Hosur Road, Bengaluru.

26. Contingent liabilities

The Company has issued a blank promissory note in the amount of PLN 13,106,073.60 to secure the repayment of the subsidy given by the Ministry of Economy under the subsidy contract 'Development of accounting and IT services and establishment of a R&D Department' dated 10 December 2012.

As at the end of the reporting period the subsidy totalled PLN 8,130,452.55.

Regulations on VAT, CIT, PIT and social security premiums are subject to frequent changes, which leads to absence of references to sustainable regulations or legal precedence. The regulations in force contain ambiguous provisions, which lead to differences in opinion concerning the legal interpretation of tax legislation both among the tax authorities and between such authorities and enterprises. Tax authorities can audit tax returns and other settlements (e.g. regarding customs duty or foreign currency) and impose high penalties. Any additional liability amounts assessed during tax inspections bear high interest. Consequently, the tax risk in Poland is higher as compared to countries with more developed tax systems.

Tax returns are subject to audit over a period of five years. Therefore, the amounts presented in the financial statements may change at a later date as a result of final assessments made by the tax authorities.

27.Financial instruments

27.1 Financial risk management objectives and policy

The Company's business is exposed to the following risks resulting from the financial instruments held:

- Credit risk
- Liquidity risk
- Market risk

Key risk management policies

It is the responsibility of the Management Board to implement and manage a risk management policy in the Company. This includes identification and analysis of risk that the Company is exposed to, setting the limits and control mechanisms as well as monitoring risk and matching the limits. Risk management rules and procedures are reviewed on a regular basis in order to take into account changes in the arm's length terms and changes in the Company's business activity.

Credit risk

Credit risk is the risk that the Company may incur a financial loss if the client or any other party to the financial instrument defaults on its obligations under the contract. Credit risk is mainly related to debt financial instruments. The objective of risk management is to adopt a policy whereby parties to contracts are set credit limits, in order maintain a stable and well-balanced loan portfolio, both in terms of the quality and value of the liabilities.

More information about the credit risk has been given in Note 27.5.

Liquidity risk

Liquidity risk is the risk that the Company will have problems meeting its obligations related to financial liabilities by making payment in cash or transferring other financial assets. Liquidity management ensures that the Company's liquidity is sufficient to pay its liabilities in the ordinary course of business and during times of crisis without suffering unacceptable losses, including the loss of reputation.

Market risk

Market risk results from changes in market prices, such as exchange rates and interest rates, having an impact on the Company's performance or the value of its financial instruments. The objective of market risk management is to keep and control the Company's exposure within defined limits while reaching the optimum return on investment. With a view to managing the market risk, the Company acquires and sells derivatives.

a) Currency risk

The Company is exposed to currency risk related to sales, purchases and loans in foreign currencies, mainly USD and EUR. The Company mitigates the currency risk with FX purchase and sale forwards.

b) Interest rate risk

The Company is exposed to the risk of fluctuations in the fair value due to fixed-interest-rate assets.

27.2 Description of financial instruments

Portfolio	Quantity	Carrying amount	Terms and conditions affecting future cash flows
Cash	in hand and at bank	10,947,029.13	not applicable
Cash	deposits	45,240,410.96	interest of 1.30%; maturing by 2019-04-30
		20,086,071.23	interest of 1.32%; maturing by 2019-06-28
		45,148,130.14	interest of 1.35%; maturing by 2019-08-12
		25,156,164.38	interest of 1.50%; maturing by 2019-04-29
		45,004,253.42	interest of 1.15%; maturing by 2019-04-05
		20,001,890.41	interest of 1.15%; maturing by 2019-04-29
Other short-term financial assets — forwards	derivatives	548,900.00	maturing from 04.2019 to 03.2019
Financial assets available for sale	Tidalscale investment	12,974,676.24	

27.3 Carrying amount of financial instruments measured at fair value

The carrying amount of financial instruments measured at fair value is PLN 53,700.00 (positive value). The profit and loss account for the reporting period (specifically, other financial revenue) was increased by PLN 1,498,000.00.

27.4 Interest rate risk

Financial instruments:		31.03.2019	31.03.2018
		carrying amount	carrying amount
– fixed interest rate			
Financial assets		243,794,786.32	205,929,000.49
including:	loans	43,157,865.78	20,397,070.36
	deposits	200,636,920.54	185,531,930.13

Changes in the effective interest rates of financial instruments with floating interest rates follow changes in the market interest rates, e.g. 1M WIBOR and 3M WIBOR or other reference interest rates.

27.5 Credit risk

The Company's maximum exposure to the credit risk is expressed as the carrying amount of the following financial assets:

Particulars	31.03.2019	31.03.2018
Financial assets:	carrying amount	carrying amount
Loans	43,157,865.78	20,397,070.36
Trade receivables	40,974,335.61	62,548,643.89
Other short-term financial assets — deposits	45,148,130.14	25,005,958.90
Cash — deposits	155,488,790.40	160,525,971.23
Cash — other	10,947,029.13	13,791,090.40
Financial assets available for sale	12,974,676.24	36,906,540.00
	308,690,827.30	319,175,274.78
	31.03.2019	31.03.2018
Financial liabilities:	wartość bilansowa	wartość bilansowa
Valuation of financial instruments	548,900.00	51,200.00

As at the balance sheet date, there was no significant concentration of credit risk in relation to the above financial assets, except for cash which has been deposited in two financial institutions. The Company deems its overall exposure to credit risk as low due to high and stable credit ratings of the institutions (Baa2 and A3).

28. Fair value of financial assets and liabilities

The fair value of instruments which are not measured at fair value is similar to their carrying amount.

Kapil Jain
Chairman of the Board

Anup Kapoor
Member of the Board

Sampath Narayanan
Member of the Board

Management Board
Person in charge of the accounting records

Łódź - May 21, 2019

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Infosys McCamish Systems, LLC

Independent Auditor's Report

To the Board of Directors of Infosys BPM Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infosys McCamish Systems, LLC ('the Company'), which comprise the balance sheet as at December 31, 2018, and the Statement of Comprehensive Income, Statement of Changes in Member's Equity, and Statement of Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with U.S generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S Generally Accepted Accounting Principles, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte Haskins & Sells LLP

Bengaluru, India

May 09, 2019

Balance Sheet

In US$

Particulars	Note no.	As at December 31, 2018	2017
ASSETS			
Current assets			
Cash and cash equivalents		23,518,789	13,451,091
Accounts receivables, net of doubtful balances	4	25,702,958	22,497,193
Unbilled revenue		26,620,034	6,565,872
Income tax assets		–	20,610
Prepayments and other assets	5	23,443,785	17,612,594
Total current assets		99,285,566	60,147,360
Non-current assets			
Deferred tax assets	14	–	884,183
Property, plant and equipment	6	1,634,579	1,581,552
Goodwill		30,594,094	30,594,094
Intangible assets	7	927,700	1,059,264
Unbilled revenue		11,838,163	–
Prepayments and other assets	5	11,228,603	12,040,380
Total non-current assets		56,223,139	46,159,473
Total assets		155,508,705	106,306,833
LIABILITIES AND EQUITY			
Current liabilities			
Loan from related parties	15	5,716,233	5,578,733
Trade payables	9	18,088,097	13,041,681
Unearned revenue		27,036,183	23,471,554
Compensated absences		384,309	337,789
Provisions	10	941,615	817,281
Income tax liabilities		667,095	–
Other liabilities	11	28,494,945	14,724,269
Total current liabilities		81,328,477	57,971,307
Non-current liabilities			
Deferred tax liability	14	2,205,864	–
Other non-current liabilities	11	12,236,726	64,132
Total non-current liabilities		14,442,590	64,132
Total liabilities		95,771,067	58,035,439
MEMBER'S EQUITY			
Member's equity		36,070,038	36,070,038
Additional paid-in-capital		16,424,112	16,424,112
Accumulated surplus/ (deficit)		7,243,488	(4,222,756)
Total member's equity		59,737,638	48,271,394
Total liabilities and member's equity		155,508,705	106,306,833

The accompanying notes form an integral part of the financial statements.

Statement of Comprehensive Income

In US$

Particulars	Note no.	Years ended December 31,	
		2018	2017
Revenue		158,626,992	102,323,103
Cost of revenue	13	131,637,198	88,044,735
Gross profit		26,989,794	14,278,368
Other expenses			
Selling and marketing expenses	13	1,428,735	205,039
Administrative expenses	13	9,950,855	9,047,159
Total other expenses		11,379,590	9,252,198
Operating profit		15,610,204	5,026,170
Interest expense		137,500	78,733
Other expenses/ (income)			
Exchange differences		16,471	54,899
Miscellaneous income		(25,651)	(1,874)
Profit before income taxes		15,481,884	4,894,412
Income tax expense	14	5,271,332	2,538,664
Net profit		10,210,552	2,355,748
Other comprehensive income		–	–
Total comprehensive income		10,210,552	2,355,748

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Member's Equity

In US$

Particulars	Member's equity	Additional paid in capital	Accumulated surplus/ (deficit)	Total Member's equity
Balance as of January 1, 2017	36,070,038	16,424,112	(6,578,504)	45,915,646
Changes in members equity for the year ended December 31, 2017				
Total comprehensive income for the year	–	–	2,355,748	2,355,748
Balance as of December 31, 2017	36,070,038	16,424,112	(4,222,756)	48,271,394
Adjustment made on account of early adoption of ASC (Topic 606) – Revenue from contracts with customers (Refer to Note 1.4)	–	–	1,255,692	1,255,692
Post adjustment balance as of December 31, 2017	36,070,038	16,424,112	(2,967,064)	49,527,086
Changes in members equity for the year ended December 31, 2018				
Net profit for the year	–	–	10,210,552	10,210,552
Balance as of December 31, 2018	36,070,038	16,424,112	7,243,488	59,737,638

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

In US$

Particulars		Years ended December 31,	
		2018	2017
Cash flows from operating activities			
Net profit for the year		10,210,552	2,355,748
Adjustments to reconcile net profit to net cash provided by operating activities			
Income tax expense		5,271,332	2,538,664
Provision for service level risk on revenue contracts		124,332	(14,752)
Allowance for doubtful accounts		111,829	121,250
Depreciation		743,032	906,421
Exchange difference		16,471	54,899
Amortization of intangible assets		1,431,565	1,275,556
Interest expense		137,500	78,733
Cash operating profit		18,046,613	7,316,519
Changes in assets and liabilities			
Accounts receivable		(3,205,549)	(14,037,117)
Prepayments and other assets		(5,208,040)	(19,609,684)
Unbilled revenues		(19,167,629)	(5,025,562)
Trade payables		5,046,416	11,803,419
Unearned revenue		4,249,569	12,591,128
Compensated absences		46,520	8,218
Other liabilities and provisions		13,849,438	9,861,798
Income taxes paid		(1,493,581)	(245,542)
Net cash (used)/ provided by operating activities	(A)	12,163,757	2,663,177
Cash flows from investing activities			
Expenditure on property, plant and equipment		(2,096,059)	(1,094,360)
Net cash (used)/ provided by investing activities	(B)	(2,096,059)	(1,094,360)
Cash flows from financing activities			
Loan from related parties		–	5,500,000
Net cash (used)/ provided by financing activities	(C)	–	5,500,000
Net changes in cash and cash equivalents	(A+B+C)	10,067,698	7,068,817
Cash and cash equivalents at the beginning of the year		13,451,091	6,382,274
Cash and cash equivalents at the end of the year		23,518,789	13,451,091
Supplementary information			
Interest paid during the year		–	–

The accompanying notes form an integral part of the financial statements.

(In United States Dollars, except where otherwise stated.)

1. Company overview and significant accounting policies

1.1 Company overview

Infosys McCamish Systems, LLC, ('the Company') is a platform based business process outsourcer (BPO) that provides end to end administrative services to the financial services industry in support of life insurance and annuity products, non qualified retirement plans and the distribution organizations that sell these products. The Company leverages its suite of proprietary intellectual property and deep domain expertise to provide services through a myriad of deployment options including comprehensive BPO, SaaS (Software as a Service), license and other hybrid service models. The Company's clients, which include many of the largest financial services companies in the United States of America ('United States'/ 'USA'/ 'US') and a growing number outside of the United States, hire the Company to support single products, a single line of business or the client's entire product portfolio.

The Company was formed in December 1994 as a limited liability company under the provisions of the Georgia Limited Liability Company Act ('the Act'), limited by member's interest. The Company was acquired by Infosys BPM Limited (formerly Infosys BPO Limited), a subsidiary of Infosys Limited, an SEC registrant, on December 4, 2009. The terms of formation were specified by the operating agreement of the Company. The Company will continue until December 31, 2060, unless terminated earlier pursuant to the terms of the operating agreement. On September 1, 2012, the Company acquired the revenue contracts and employees of Marsh Inc.'s BPO division – Seabury & Smith Inc. ('Marsh BPO').

In May 2013, the name of the Company was changed from 'McCamish Systems LLC' to 'Infosys McCamish Systems LLC' following approval of the name change by the Company's member.

1.2 Basis of preparation of financial statements

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles to reflect the financial position and results of operations of the Company. The financial statements have been presented in United States Dollars.

The Company has changed the reporting period from April - March to January-December.

1.3 Use of estimates

The preparation of financial statements is in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) which requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Significant estimates and assumptions are used for, but not limited to, accounting for costs and efforts expected to be incurred to complete performance under software development arrangements, allowance for uncollectible accounts receivable, future obligations under employee benefit plans, the useful lives of property, plant and equipment and intangible assets and income tax provisions. Actual results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Revenue recognition

The Company is a leading developer of solutions and services in the insurance industry. The Company offers flexible solutions through business process management, software-as–a-service, and license models. The Company leverages its proprietary VPAS®, PMACS® and Deferral+® platforms, as well as VPAS® BPA, to offer the retirement and financial services industries integrated sales and administration support solutions.

The Company is also a software reseller for various industry specific clients.

In May 2014, the Financial Accounting Standards Board ('FASB') issued Accounting Standards Update ('ASU') No. 2014 - 09 - 'Revenue from Contracts with Customers (Topic 606)'. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company early adopted the new standard effective January 1, 2018, the first day of the Company's fiscal year using the modified retrospective approach. In accordance with the modified retrospective approach , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis. Accounting policy for revenue recognition under these arrangements is as follows:

Time -and -material

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Fixed-price and fixed-time frame

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Whenever there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Unbilled and unearned revenue

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as unearned revenues).

Software development and related services

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in ASC 606 - Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Licenses

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. Arrangements to deliver software products generally have three elements: License, implementation and Annual Technical Services (ATS). The Company has applied the principles under ASC 606 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

Volume discount

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modification

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, while those 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.

Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

The disclosures required under ASC 606 are made as under:

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended December 31, 2018, by offerings and contract-type along with the impact of early adoption of ASC 606. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

In US$

Particulars	Year ended December 31, 2018
Revenue by offerings	
Core services	54,821,174
Sale of third party software and services	103,805,818
Total	158,626,992
Revenues by contract type	
Fixed-price	76,104,251
Time and materials	82,522,741

Particulars	Year ended December 31, 2018
Total	158,626,992
Increase in provision for cost of software	12,093,832
Decrease in prepaid cost	188,177
Increase in unbilled revenue	12,852,762
Decrease in unearned revenue	684,939
Net Increase in opening balance of Accumulated surplus	1,255,692

On account of adoption of ASC 606, unbilled revenue of US $ 1,309,410 as at December 31, 2018 has been considered as non financial asset.

1.5 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment	3-5 years
Office furniture and equipment	5 years

Leasehold improvements are amortized on a straight-line basis over the lesser of the remaining lease term or the estimated useful life of the asset.

The cost of software purchased for internal use is accounted under ASC 350-40. Deposits paid towards the acquisition of these long lived assets outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Costs of improvements that substantially extend the useful life of particular assets are capitalized. Repairs and maintenance cost are charged to earnings when incurred. The cost and related accumulated depreciation are removed from the financial statements upon sale or disposition of the asset.

The Company evaluates the recoverability of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value. Assets to be disposed are reported at the lower of the carrying value or the fair value less the cost to sell.

1.6 Cash and cash equivalents

The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents. Cash and cash equivalents comprise cash and cash on deposit with banks.

1.7 Accounts receivable

Accounts receivable are recorded at the invoiced amount. The Company's accounts receivable relate principally to revenue earned from customers located in the United States. The Company maintains an allowance for doubtful accounts to provide coverage for losses from client receivables. In establishing the required allowance, the Management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, the current receivables ageing and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

1.8 Compensated absences

The employees of the Company are entitled to compensated absences which is non-accumulating in nature. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.9 Research, development and cost of software package

The Company expense research costs as and when the same are incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, we have the intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and costs software package incurred under contractual arrangements with customers are accounted as cost of revenues.

1.10 Income taxes

Income taxes are accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized. Changes in valuation allowance from period to period are reflected in the income statement of the period of change.

1.11 Fair value of financial instruments and concentration of credit risk

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date. The methods used to determine fair value include discounted cash flow analysis. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For all financial instruments including cash and cash equivalents, trade accounts receivables and other current assets, accounts payable and other current liabilities, the carrying amounts approximate fair value due to the short maturity of those instruments. The fair value of securities, which do not have an active market, is not reasonably estimable. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, and trade accounts receivable. By nature, all such financial instruments involve risk, including the credit risk of non-performance by counterparties. In the Management's opinion, as of December 31, 2018 and December 31, 2017 there was no significant risk of loss in the event of non-performance of the counterparties to these financial instruments, other than the amounts already provided for in the financial statements, if any. Exposure to credit risk is managed through credit approvals, establishing credit limits and monitoring procedures. The factors which affect the fluctuations in the Company's provisions for bad debts and write offs of uncollectible accounts include the financial health and economic environment of the clients. The Company specifically identifies the credit loss and then makes the provision.

For the years ending December 31, 2018 and December 31, 2017, the revenue earned from two customers contributing over 10% of revenues, accounted for about 31% and 29% respectively of the revenues earned in those years.

1.12 Business combinations, goodwill and intangible assets

The Company accounts for its business combinations by recognizing the identifiable tangible and intangible assets and liabilities assumed, and any non-controlling interest in the acquired business, measured at their acquisition date fair values. All assets and liabilities of the acquired businesses, including goodwill, are assigned to reporting units. Contingent consideration arrangements are fair valued at the acquisition date and included on that basis in the purchase price consideration and transaction costs are expensed as incurred.

All assets and liabilities of an acquired business including goodwill are assigned to reporting units. The Company does not amortize goodwill but instead tests goodwill for impairment at least annually, using a two-step impairment process.

In September 2011, the FASB issued ASU 2011-08, Testing Goodwill for Impairment, which provides an entity the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount prior to performing the two-step goodwill impairment test. If this is the case, the two-step goodwill impairment test is required. If it is more-likely-than-not that the fair value of a reporting is greater than its carrying amount, the two-step goodwill impairment test is not required. The Company adopted this guidance in 2012.

If the two-step goodwill impairment test is required, first, the fair value of the reporting unit is compared with its carrying amount (including goodwill). If the fair value of the reporting unit is less than its carrying amount, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying amount, step two does not need to be performed.

The key assumptions used for the calculations are as follows:

in %

Particulars	As of December 31, 2018
Long term growth rate	8
Operating margins	6.5 - 8.5
Discount rate	14.54

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets.

2. Recent accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new standard replaces the existing guidance on leases and requires the lessee to recognize a right-of-use asset and a lease liability for all leases with lease terms equal to or greater than twelve months. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset, and for operating leases, the lessee would recognize total lease expense on a straight-line basis. This standard is effective for fiscal years beginning after December 15, 2019. Upon adoption, entities will be required to use a modified retrospective transition which provides for certain practical expedients. Entities are required to apply the new standard at the beginning of the earliest comparative period presented. Early adoption of this new standard is permitted.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging. The update expands and refines hedge accounting for both financial and nonfinancial hedging strategies to better align hedge accounting with companies' risk management strategies. The update also amends the presentation and disclosure requirements and changes how companies assess effectiveness of their hedges. Adoption methods will differ by type of hedge. The effective date for adoption is January 1, 2019. The Company does not have any impact on the financial statements upon adoption of the update.

In June 2016, FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses, which require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is to be deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. For non-public entities the new guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The amendment should be applied through a modified retrospective approach. Early adoption as of the fiscal years beginning after December 15, 2018 is permitted. The adoption of ASU No. 2016-13 is not expected to have a material effect on the Company's financial statements.

In August 2016, FASB issued ASU No. 2016-15, Classification of Certain Cash Receipts and Cash Payments. The amendments apply to all entities that are required to present a statement of cash flows under Topic 230. The amendments are an improvement to GAAP because they provide guidance for each of the eight issues, thereby reducing the current and potential future diversity in practice. For non-public entities the amendments are effective for fiscal years beginning after December 15, 2018 should be applied using a retrospective transition method to each period presented. The Company does not expect the adoption of this ASU to have a material effect on its financial position or results of operations.

In November 2016, FASB issued ASU No. 2016-18, Statement of cash flows - Restricted cash. The amendments apply to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The amendments in this update require that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. For non-public entities the amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted with an adjustment reflected as of the beginning of the fiscal year in which the amendment is adopted. The Company does not expect the adoption of this ASU to have a material effect on the presentation of its Statement of Cash Flows.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment (Topic 350), which eliminates Step 2 from the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. For non-public entities the update is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017 and should be applied prospectively. The Company does not expect the adoption of the update to have material effect on its financial position or results of operations.

In February 2018, the FASB issued ASU 2018-02, Income Statement - Reporting Comprehensive Income. Yhis update provides an option for entities to reclassify stranded tax effects caused by the newly-enacted Tax Cuts and Jobs Act, or Tax Reform Act, from accumulated other comprehensive income to retained earnings. Upon adoption, entities have the option to apply the update retrospectively or in the period of adoption. Early adoption of this update is permitted. The effective date for adoption is January 1, 2019. The Company does not expect the adoption of the update to have material effect on its financial position or results of operations.

3. Member's equity

At December 31, 2018, the Company had one member, Infosys BPM Limited (formerly Infosys BPO Limited) ('the Member'). The Member owns 100% of the interests of the Company. Upon liquidation, dissolution or winding-up of the Company, the Member is entitled to receive 100% of the available net assets of the Company. No contribution was made during the year ended December 31, 2018.

4. Accounts receivables, net of doubtful balances

Accounts receivable, net of doubtful balances, as on December 31, 2018 and 2017 is US $ 25,702,958 and US $ 22,497,193 respectively. The Company maintains an allowance for doubtful accounts based on financial condition of the customer and ageing of the accounts receivable. Accounts receivables are not collateralized. During the year ended December 31, 2018 and December 31, 2017, the Company had allowance amounting to US $ 136,685 and US $ 258,172 respectively, towards doubtful accounts receivable.

Receivables includes dues from related parties amounting to US $ 936,645 and US $ 99,256 as at December 31, 2018 and December 31, 2017 respectively. (Refer to Note 15).

5. Prepayment and other assets

Prepayment and other assets as on December 31 is as follows:

In US$

Particulars	2018	2017
Current		
Prepaid expenses	23,331,688	17,537,474
Deposits	37,500	40,500
Other current assets	74,597	34,620
	23,443,785	17,612,594
Non-current		
Prepaid expenses	11,138,843	11,953,620
Deposits	89,760	86,760
	11,228,603	12,040,380
Total	34,672,388	29,652,974

6. Property, plant and equipment

Property, plant and equipment as on December 31 are as follows:

In US$

Particulars	2018	2017
Computer equipment	6,798,992	7,037,929
Office furniture and equipment and leasehold improvements	1,605,146	1,585,990
	8,404,138	8,623,919
Accumulated depreciation	(7,109,083)	(7,042,367)
	1,295,055	1,581,552
Capital work-in-progress	339,524	–
	1,634,579	1,581,552

Depreciation expense amounted to US$ 743,032 and US$ 906,421 for the year ended December 31, 2018 and December 31, 2017, respectively which has been allocated to cost of revenue.

7. Intangible assets

Based on the Management's estimate of the useful life, the identified intangible customer contracts and relationships is amortized over a period of nine years. Software, acquired during the year, is being amortized over a period of 21 months, being the remaining useful life of the asset.

Intangible assets as on December 31, 2018 and December 31, 2017 are as follows:

In US$

Particulars	Software	Customer contracts and relationships	Computer software platform
December 31, 2018			
Gross carrying value	1,300,000	11,300,000	2,950,000
Less: Accumulated amortization	372,300	11,300,000	2,950,000
Net carrying value	927,700	–	–
December 31, 2017			
Gross carrying value	–	11,300,000	2,950,000
Less: Accumulated amortization	–	10,240,736	2,950,000
Net carrying value	–	1,059,264	–

The aggregate amortization expense for the year ended December 31, 2018 and December 31, 2017 amounted to US$ 1,431,565 and US$ 1,275,556 respectively which has been allocated to cost of revenue in its entirety.

The estimated amortization expense for intangible assets for the succeeding annual year is the US$ 744,600.

8. Leases

Minimum rent payments under operating leases are recognized on a straight line basis over the lease term. Additionally, the Company is obligated under non-cancelable operating lease for office and residential space that are renewable on a periodic basis at the option of both the lessor and the lessee. The current lease for office space in Atlanta expired on June 30, 2018 and the same is extended till April 30, 2019.The Company has took a new office space in Atlanta, Cumberland and the lease for this office space will expire on July 31, 2026. The lease for office space in DesMoines will expire on December 22, 2021. Future minimum lease payments below only include lease payments through that date. Future minimum lease payments associated with the lease renewal will be disclosed in these financial statements as a subsequent event. Total rental expenditure under the operating leases, cancelable and non-cancelable was US$ 1,225,796 and US$ 879,914 during the year ended December 31, 2018 and 2017, respectively.

Future minimum lease payments under non-cancelable operating leases as on December 31, 2018 are:

In US$

FY 2019	1,166,293
FY 2020	1,584,898
FY 2021	1,610,892
FY 2022	1,370,853
FY 2023 and thereafter	5,202,186

9. Trade payables

Trade payables as on December 31 are as follows:

In US$

Particulars	2018	2017
Dues to related parties (Refer to Note 15)	9,281,167	10,913,179
Other trade payables	8,806,930	2,128,502
	18,088,097	13,041,681

10. Provisions

Provisions as on December 31 are as follows:

In US$

Particulars	2018	2017
Provision for service level risk on revenue contracts	941,615	817,281

11. Other liabilities

Other liabilities as on December 31 are as follows:

In US$

Particulars	2018	2017
Current		
Accrued compensation to staff	1,828,355	1,494,784
Withholding taxes payable	6	–
Provision for expenses :		
Cost of software	23,217,070	10,080,274
Others*	3,001,779	2,644,651
Rent holiday accrual	21,551	125,099
Others (includes dues to related parties) (Refer to Note 15)	426,184	379,461
Total (A)	28,494,945	14,724,269
Non-current		
Rent holiday accrual	42,581	64,132
Provision for cost of software	12,194,145	–
Total (B)	12,236,726	64,132
Grand Total (A+B)	40,731,671	14,788,401

*Includes provision for professional charges and audit fees US$ 253,174, contract labor US$ 738,887, postage and other communication costs US$ 876,541, employee health insurance US$ 564,577 and others US$ 568,600 as on December 31, 2018

*Includes provision for professional charges and audit fees US$ 473,984, contract labor US$ 474,678, postage and other communication costs US$ 805,404, employee health insurance US$ 522,942 and others US$ 367,643 as on December 31, 2017

12. Financial instruments

The carrying value and fair value of financial instruments by categories is as follows:

In US$

Particulars	As at December 31,			
	2018		2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Assets				
Cash and cash equivalents	23,518,789	23,518,789	13,451,091	13,451,091
Accounts receivables (Refer to Note 4)	25,702,958	25,702,958	22,497,193	22,497,193
Unbilled revenue[(1)]	37,148,787	37,148,787	6,565,872	6,565,872
Other financial assets	174,991	174,991	161,134	161,134
Total	86,545,525	86,545,525	42,675,290	42,675,290
Liabilities				
Loan from related parties(Refer to Note 15)	5,716,233	5,716,233	5,578,733	5,578,733
Trade payable (Refer to Note 9)	18,088,097	18,088,097	13,041,681	13,041,681
Provision for expenses (Refer to Note 11)	38,412,994	38,412,994	12,724,925	12,724,925
Accrued compensation to staff (Refer to Note 11)	1,828,355	1,828,355	1,494,784	1,494,784
Other financial liabilities (Refer to Note 11)	426,184	426,184	379,461	379,461
Total	64,471,863	64,471,863	33,219,584	33,219,584

(1) On account of adoption of ASC 606, unbilled revenues of US$ 1,309,410 of the total US$ 38,458,197 is classified as non financial asset as on December 31, 2018.

13. Operating expenses

Operating expense for the year ended December 31 is as follows:

In US$

Particulars	2018	2017
Employee benefit expenses	31,480,400	27,445,553
Cost of technical sub-contractors	37,620,951	18,996,180
Office expenses	1,165,916	996,948
Depreciation and amortization expense	2,174,597	2,181,977
Cost of software packages	60,818,930	38,961,539
Rent (Refer to Note 8)	1,225,796	879,914
Travel expenses	528,587	415,201

Particulars	2018	2017
Communication expenses	1,729,180	1,424,787
Professional charges	2,323,415	1,759,413
Insurance charges	126,422	129,158
Postage and couriers	3,376,053	3,546,515
Other expenses	446,541	559,748
	143,016,788	97,296,933

Function-wise classification of operating expenses for the year ended December 31, 2018 and December 31, 2017 is as follows:

In US$

Year ended December 31, 2018	Cost of revenues	General and administration expenses	Selling and marketing expenses	Total
Employee benefit expense	27,730,846	2,450,912	1,298,642	31,480,400
Cost of technical sub-contractors	37,620,951	–	–	37,620,951
Office expenses	114,348	1,051,544	24	1,165,916
Depreciation and amortization expense	2,174,597	–	–	2,174,597
Cost of software packages	59,303,315	1,515,181	434	60,818,930
Rent	1,172,405	53,391	–	1,225,796
Travel expenses	411,395	21,977	95,215	528,587
Communication expenses	1,082,110	646,373	697	1,729,180
Professional charges	1,859,384	464,031	–	2,323,415
Insurance	105,696	20,726	–	126,422
Postage and courier	–	3,376,053	–	3,376,053
Other expenses	62,151	350,667	33,724	446,541
	131,637,198	9,950,855	1,428,735	143,016,788

In US$

Year ended December 31, 2017	Cost of revenues	General and administration expenses	Selling and marketing expenses	Total
Employee benefit expense	24,870,158	2,428,228	147,167	27,445,553
Cost of technical sub-contractors	18,996,180	–	–	18,996,180
Office expenses	69,216	927,416	316	996,948
Depreciation and amortization expense	2,181,977	–	–	2,181,977
Cost of software packages	38,308,512	645,027	8,000	38,961,539
Rent	839,400	40,514	–	879,914
Travel expenses	388,018	17,563	9,620	415,201
Communication expenses	706,470	717,836	481	1,424,787
Professional charges	1,490,156	269,257	–	1,759,413
Insurance	98,976	30,182	–	129,158.18
Postage and courier	–	3,546,515	–	3,546,515
Other expenses	95,672	424,621	39,455	559,748
	88,044,735	9,047,159	205,039	97,296,933

14. Income taxes

The income tax expense comprises during the year ended December 31:

In US$

Particulars	2018	2017
Current taxes	2,181,285	350,073
Deferred taxes	3,090,047	2,188,591
Income tax expense	5,271,332	2,538,664

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised as follows:

In US$

Particulars	2018	2017
Profit before incomes taxes	15,481,884	4,894,412
Statutory tax rate	21%	34%
Computed expected tax expense	3,251,196	1,664,100
State taxes	732,900	187,221
Withholding taxes	–	74,038
Disallowed Items	12,797	11,909
Base erosion and anti-abuse tax (BEAT) liability	1,375,596	–
Deferred tax – change in tax rates	174,739	398,114
Effect of true up of previous year taxes	21,968	(2,013)
Other adjustments	(297,863)	205,295
Income tax expense	5,271,332	2,538,664

The types of temporary differences that give rise to significant portions of the Company's deferred tax assets and liability as of December 31 are as follows:

In US$

Particulars	2018	2017
Deferred tax assets		
Carry forward business losses	1,359,923	4,004,363
Accruals	412,268	324,591
Accrued Compensation	146,010	119,876
Deferred rent	16,033	45,415
Depreciation and amortization	1,102,349	1,142,980
Accrued vacation	96,077	81,069
Others	274,394	214,723
	3,407,054	5,933,017
Deferred tax liability		
Goodwill	(3,212,917)	(2,744,834)
Accruals including contingent consideration reversal	(2,400,000)	(2,304,000)
Total deferred tax liability	(5,612,917)	(5,048,834)
Deferred tax asset/ (liability), net	(2,205,864)	884,183

The ultimate realization of deferred tax assets is dependent upon the Management's assessment of the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Management's assessment in the near term is subject to change if estimates of future taxable income during the carry forward period are reduced.At December 31 2018, the Company has federal net operating loss carry forwards for income tax purpose of US$ 5,439,692 expiring in years 2030 through 2035.

In assessing the realisability of deferred tax assets, the Management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realised. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the Management believes that it is more likely than not the Company will realize the benefit of any deductible differences at December 31, 2018.

15. Related party transactions

(a) The Company has identified the following related parties

Key Management personnel

Mr. Anantharaman Radhakrishnan [1]

Mr. Nishit Ajit Shah, *Director* [1]

Mr. Kapil Jain, *Director*

Mr. Gordon Beckham, *Chief Executive Officer and Director* [2]

Mr. Richard Magner, *Chief Executive Officer and Director* [3]

Mr. Thothathri V, *Director* [4]

Mr. Prem Joseph Pereira[5]

(1) appointed w.e.f. July 19, 2016 and ceased to be director w.e.f. July 11, 2017.

(2) resigned w.e.f. April 17, 2017.

(3) appointed as Chief Executive Officer w.e.f. April 18, 2017 (formerly acted in position of Sales Head).

(4) appointed w.e.f. July 11, 2017.

(5) will be appointed as Chief Financial Officer w.e.f. January 15, 2019.

Enterprise in which Key Management personnel has significant influence

Magner Networks LLC

Other companies within the Group with which the Company has transactions during the year

Infosys Limited, Ultimate holding company.

Infosys BPM Limited (formerly known as Infosys BPO Limited), the holding company.

Infosys Public Services Inc., a wholly owned subsidiary of Infosys Limited.

Brilliant Basics Limited, a wholly owned subsidiary of Infosys Limited.

Kallidus Inc., a wholly owned subsidiary of Infosys Limited.

(b) Summary of significant transaction with related parties is as follows:

In US$

Particulars	Key management personnel	Other companies within the Group
	Year ended December 31, 2018	
Revenue transactions		
Purchase of services from Infosys Limited	–	29,686,913
Purchase of services from Infosys BPM Limited	–	4,318,977
Purchase of services from Brilliant Basics Limited.	–	103,836
Sale of services to Infosys Limited	–	893,669

Particulars	Key management personnel	Other companies within the Group
	Year ended December 31, 2018	
Sale of services to Infosys BPM Limited	–	5,083,604
Interest expense on loan from Infosys Public Services Inc.	–	137,500
Remuneration to key managerial personnel	527,555	–
Capital transactions		
Purchase of software (skytree) from Kallidus Inc.	–	1,300,000

In US$

Particulars	Key Management personnel	Other companies within the Group
	Year ended December 31, 2017	
Revenue transactions		
Purchase of services from Infosys Limited	–	11,937,020
Purchase of services from Infosys BPM Limited	–	4,604,180
Purchase of shared services from Infosys Limited	–	71,475
Sale of services to Infosys Limited	–	358,949
Sale of services to Infosys BPM Limited	–	209,559
Interest expense on loan from Infosys Public Services Inc	–	78,733
Remuneration to key managerial personnel	659,363	–
Capital transactions		
Loan taken from Infosys Public Services Inc.	–	5,500,000

(c) The details of amounts due to or due from related parties as at December 31, 2018 and December 31, 2017 are as follows:

In US$

Particulars	2018	2017
Loan taken		
Infosys Public Services Inc.	5,716,233	5,578,733
	5,716,233	5,578,733
Trade payables		
Infosys Limited	8,950,854	10,378,537
Infosys BPM Limited	330,313	534,642
	9,281,167	10,913,179
Account receivables		
Infosys Limited	94,214	81,730
Infosys BPM Limited	842,431	17,526
	936,645	99,256
Other receivables		
Infosys Limited	3,071	3,071
Infosys BPM Limited	1,312	–
	4,383	3,071
Other payables		
Infosys Limited	57,915	33,689
Infosys BPM Limited	5,472	–
	63,387	33,689

On May 16, 2017, Company entered into a loan agreement with Infosys Public Services Inc. to finance the Company's operations, for the amount of US $ 5,500,000. The loan was processed on June 6, 2017 and is subject to a market rate of interest set at 2.50% p.a. for the period from loan inception date to repayment.The maturity date for principal amount is set at twelve months from the effective date of the loan agreement and extended by written consent of both the parties for further period of twelve months.The interest is payable at repayment of loan or anniversary date each year, whichever is earlier.

As a disclosure for subsequent event, the Company has repaid the entire loan alongwith the accrued interest to Infosys Public Services Inc in January,2019

16. Commitments and contingencies

The Company has not executed any bank guarantees as on December 31, 2018 and December 31, 2017.

The estimated amount of contracts remaining to be executed on capital contracts and not provided for as at December 31, 2018 and December 31, 2017 amounts to US $ 767,962 and US $ 69,827, respectively.

Contingencies and lawsuits

The Company is currently not involved in any significant lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arises in the ordinary course of business. There are no such pending matters that are expected to have material effect on these financial statements.

17. Subsequent events

The Company has evaluated all events or transactions that occurred after December 31, 2018 up through May 9, 2019, the date the financial statements were issued. Based on this evaluation, the Company is not aware of any other events or transactions that would require recognition or disclosure in the financial statements.

Portland Group Pty. Limited

Independent Auditor's Report

To the Board of Directors of Portland Group Pty. Limited

Opinion

We have audited the financial report of Portland Group Pty. Limited (the 'Company') which comprises the statement of financial position as at March 31, 2019, the Statement of Profit and Loss, Other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act, 2001, including:

(i) giving a true and fair view of the Company financial position as at March 31, 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations, 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act, 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended March 31, 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte Touche Tohmatsu

Harsh Shah
Partner
Chartered Accountants

Sydney
May 13, 2019

Directors' Report

The Directors present their report together with the financial report of Portland Group Pty. Limited ('the Company'), for the financial year ended March 31, 2019, and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr. Andrew James Jarvis

Mr. Andrew Stewart Groth

Mr. Abhay Harigobind Das Chauhan

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

2. Principal Activities

The principal activities of the Company include provision of sourcing and category management service, project based consultancy support and ongoing management services. The Company offers complete clients procurement and supply chain functions from innovative, high-end strategy to effective, low cost transactional processing.

During the year, the Company has entered into resale of software for certain clients and there were no other significant changes in the nature of the activities of the Company during the year. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

3. Dividends

No dividends were paid during the current year and previous year. The directors do not recommend the payment of a dividend.

4. Operating and Financial Review

The profit after tax for the year ended March 31, 2019 amounted to AUS $ 1,548,491 (2018:Profit after tax of AUS $ 429,850). This was primarily a result of increase of revenue from AUS $ 17,866,462 for the year ended March 31, 2018 to AUS $ 28,111,982 in the year 2019.

5. Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a state or territory. However, the Board believes that the Company has adequate systems in place for the Management of its environmental requirements, and is not aware of any breach of those environmental requirements as they apply to the Company.

6. Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial year and the date of this report which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

7. Likely Developments

The Company will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

8. Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

9. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the financial year ended March 31, 2019.

This report is made with a resolution of the directors.

Andrew Jarvis
Managing Director and Chief Executive Officer

Sydney
April 26, 2019

Statement of Financial Position

In AUS $

Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
Assets			
Cash and cash equivalents	12a	25,819,060	20,874,003
Trade and other receivables	10	7,536,093	2,701,272
Other current assets	12c	39,610	584,341
Income tax assets		–	584,028
Prepayments	11	433,348	157,472
Total current assets		33,828,111	24,901,116
Deferred tax assets	16a	3,712,014	567,111
Property, plant and equipment	13	134,089	182,954
Other receivables	10	4,869,603	–
Prepayments	11	628,310	–
Total non-current assets		9,344,016	750,065
Total assets		43,172,127	25,651,181
Liabilities			
Trade and other payables	14	1,358,687	86,968
Other current liabilities	15	4,700,176	993,704
Current tax liabilities		3,560,516	–
Provisions	17	190,460	88,888
Employee benefit obligations	18	2,117,421	1,852,900
Total current liabilities		11,927,260	3,022,460
Employee benefit obligations	18	519,103	581,108
Other non-current liabilities	15	7,376,380	246,720
Total non-current liabilities		7,895,483	827,828
Total liabilities		19,822,743	3,850,288
Net assets		23,349,384	21,800,893
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		19,960,335	18,411,844
Total equity		23,349,384	21,800,893

The notes on page 7 to 23 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

In AUS $

Particulars	Note no.	Years ended March 31,	
		2019	2018
Revenue	5	28,111,982	17,866,462
Cost of sales	6	(24,696,787)	(15,539,564)
Gross profit		3,415,195	2,326,898
Selling and distribution expenses		(8,567)	(72,291)
Administrative expenses		(1,472,605)	(1,789,666)
Operating profit		1,934,023	464,941
Finance income	7	307,352	254,376
Net finance income		307,352	254,376
Profit before tax		2,241,375	719,317
Income tax expense	16b	(692,884)	(289,467)
Profit after tax		1,548,491	429,850
Other comprehensive income			
Items that will never be reclassified to profit or loss		–	–
Items that are or may be reclassified subsequently to profit or loss		–	–
Other comprehensive income, net of tax		–	–
Total comprehensive income		1,548,491	429,850

The notes on page 7 to 23 are an integral part of these financial statements.

Statement of Changes in Equity

In AUS $

Particulars	Share capital	Retained earnings	Total equity
Balance as on April 1, 2017	3,389,049	17,981,994	21,371,043
Total other comprehensive income	–	–	–
Profit for the year	–	429,850	429,850
Total comprehensive income	–	429,850	429,850
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at March 31, 2018	3,389,049	18,411,844	21,800,893
Balance as on April 1, 2018	3,389,049	18,411,844	21,800,893
Total other comprehensive income	–	–	–
Profit for the year	–	1,548,491	1,548,491
Total comprehensive income	–	1,548,491	1,548,491
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at March 31, 2019	3,389,049	19,960,335	23,349,384

The notes on page 7 to 23 are an integral part of these financial statements.

Statement of Cash Flows

In AUS $

Particulars	Note no.	Years ended March 31,	
		2019	2018
Cash flows from operating activities			
Cash receipts from customers		26,088,359	21,052,467
Cash paid to suppliers and employees		(22,607,792)	(18,371,697)
Cash generated from operations		3,480,567	2,680,770
Redemption of fixed deposits against bank guarantees		500,000	–
Interest received		342,226	220,616
Net income taxes and GST received/ (paid)		640,462	(1,806,469)
Net cash from operating activities	12b	4,963,255	1,094,917
Cash flows from investing activities			
Purchase of plant equipment	13	(18,198)	(21,640)
Net cash used in investing activities		(18,198)	(21,640)
Cash flows from financing activities			
Proceeds from issue of share capital		–	–
Dividends paid		–	–
Net cash used in financing activities		–	–
Net increase/ (decrease) in cash and cash equivalents		4,945,057	1,073,277
Cash and cash equivalents at April 1		20,874,003	19,800,726
Cash and cash equivalents as at March 31	12a	25,819,060	20,874,003

The notes on page 7 to 23 are an integral part of these financial statements.

1. Reporting entity

Portland Group Pty. Limited (the 'Company') is a Company domiciled in Australia. The Company's registered office and principal place of business is Level 8, 68 Pitt Street, Sydney NSW 2000, Australia. The parent of the Company is Infosys BPM Limited India and the ultimate parent is Infosys Limited, India. The Company is a for–profit entity and primarily is involved in provision of project based consultancy support and ongoing management services to improve the Company's profitability in the long term.

2. Basis of preparation

(a) Statement of compliance

The Company is for profit entity and the financial statements have been prepared as a general purpose financial report to satisfy the directors' reporting requirements under Corporations Act 2001. Reduced disclosure regime has been adopted in the preparation of these financial statements.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity. The financial report of the Company has been drawn up as a financial report for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act, 2001.

The financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The annual financial statements were approved by the Board of Directors on the May 13, 2019.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Australian Dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements, the Management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(e) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending 31, March 2019 are:

- Recognition of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources.
- Recognition of deferred tax assets: Availability of future taxable profit against which carry forward tax losses can be used.
- The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

3. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Revenue

AASB 15 - Revenue from Contracts with Customers (effective for annual periods beginning on or after January 1, 2018) – In May 2014, AASB 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 superseded the previous revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts from the date it became effective. The Company's main source of income is from provision of sourcing and category management service, project based consultancy support and ongoing management services. Under AASB 118, the entity used to recognize revenue using the output method i.e. right to invoicing based on the consultants being provided and costs being incurred. The erstwhile revenue recognition method remain same even in the new standard under AASB 15. Hence, there is no impact on revenue accounting on transition to AASB 15.

Fixed price

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

Time and material

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Uncertainity

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Maintenance

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Unbilled/ unearned

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Licenses

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. Arrangements to deliver software products generally have three elements: License, implementation and Annual Technical Services (ATS). The Company has applied the principles under AASB 115 to account for revenues from these performance obligations. ATS revenue is recognized ratably over the period in which the services are rendered.

Contract Modification

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, while those 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.

Tax

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

(b) Contracts in progress

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a contract can be estimated reliably, contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

Contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs plus profits recognized to date less progress billings and recognized losses.

Contracts in progress are presented as part of trade and other receivables in the statement of financial position for all contracts in which costs incurred plus recognized profits exceed progress billings and recognized losses. If progress billings and recognized losses exceed costs incurred plus recognized profits, then the difference is presented as deferred income in the statement of financial position. Customer advances are presented as deferred income in the statement of financial position.

(c) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(d) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the repay date on Australian corporate bonds that have maturity dates approximately the term of the Company's obligations. Remeasurements are recognized in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(e) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset only if certain criteria are met.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(iii) Tax exposures

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognized in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Particulars	2019
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 year

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Financial instruments

AASB 9 Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after January 1, 2018) – AASB 9 was issued by the IASB in November 2009 and amended in November 2013 to include the new requirements for general hedge accounting. Another revised version of AASB 9 was issued in July 2014 mainly to include, a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model. This standard has not impacted the Company's financial position or performance, as the Company does not have any financial instruments which are designated through profit or loss category.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognizes loans and receivables issued on the date that they are originated. All other financial assets and financial liabilities are recognized initially on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognized in profit or loss.

Held-to-maturity financial assets

These are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

(iv) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;

The disappearance of an active market for a security.

(ii) Financial assets measured at amortized cost

The Company considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro-rata basis An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(i) Post-sales client-support

A provision for post-sales client-support is recognized when the underlying services are sold, based on historical post-sales client support data and a weighting of all possible outcomes against their associated probabilities.

(j) Capital management

The Directors' policy is to maintain strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. There were no changes to the Company's capital management during the year.

(k) Goods and service tax

Revenue, expenses and assets are recognized net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.This will be the case if the following two criteria are met

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

(ii) Leased assets

Assets held by the Company under leases, which transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Company's statement of financial position.

(iii) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Finance income

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and reclassifications of amounts previously recognized in other comprehensive income. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(n) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress is estimated as the present value of future cash flows, discounted at the market rate of interest. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Other non-derivative financial liabilities

Fair value, which is calculated based on the present value of future principal and interest cash flows, is discounted at the market rate of interest at the reporting date.

4. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. AASB 16- Leases is leading to changes in the way that lessees recognize leases. It will replace accounting standard AASB 117 and interpretations IFRIC 4, SIC 15 and SIC 27. AASB 16, which will come into force on January 1, 2019, requires lessees to use a single method for recognising leases, affecting the Balance Sheet in a similar way to current finance leases.

Because of the specific features of some leases (particularly regarding renewal arrangements), the timeframes used to measure leases under AASB 16 could, in some cases, differ from those used to measure off-Balance Sheet commitments in which only the firm commitment period is taken into account. As of March 31, 2019, the commitments (Refer Note 19) of the Company is AUS $ 1,191,425 (2018: AUS $ 1,830,550). The Company is yet to evaluate the impact of ASSB 16 on its financial statements.

On Completion of evaluation of the effect of adoption of AASB 16, the Company is proposing to use the 'Modified Restrospective Approach' for transitioning to AASB 16, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 and March 31, 2018 will not be restrospectively adjusted.

5. Revenue

In AUS $

Particulars	2019	2018
Related party revenue	4,280,939	3,873,811
Third party revenue	23,831,043	13,992,651
	28,111,982	17,866,462

At March 31, 2019 the Company has deferred revenue of $66,745 (2018: $108,105), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of $ 9,927,206 (2018: $325,549).

Disagregate revenue Information

The table below presents disaggregated revenues from contracts with customers by contract-type for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenues by contract type	Year ended March 31, 2019
Fixed price	20,156,361
Time and materials	7,955,621
Total	28,111,982

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed-price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The impact on account of applying the erstwhile AASB 118 - Revenue instead of AASB 15 - Revenue from contract with customers on the financials results of the Company for year ended and as at March 31, 2019 is insignificant.

6. Cost of sales

In AUS $

Particulars	2019	2018
Travel	874,320	786,260
Employee benefit expense	10,814,436	12,455,822
Cost of third party software	11,139,397	–
External contractor expense and others	1,868,634	2,297,482
	24,696,787	15,539,564

7. Finance income

In AUS $

Particulars	2019	2018
Interest income from deposits with banks	297,496	254,033
Other miscellaneous income	9,856	343
	307,352	254,376

8. Auditors' remuneration

In AUS $

Particulars	2019	2018
Fees paid to auditors of the Company for audit of financial statements		
Audit of financial statements – Deloitte Touche Tohmatsu	21,000	21,000
	21,000	21,000

9. Expenses by nature

In AUS $

Particulars	2019	2018
Depreciation	67,063	91,774
Employee benefits	11,558,811	13,320,024
Lease expenses	510,905	576,858

10. Trade and other receivables

In AUS $

Particulars	2019	2018
Current		
Trade receivables	2,292,877	2,147,102
Unbilled revenue	5,057,603	327,514
	7,350,480	2,474,616
Amounts due from related party	185,613	226,656
	7,536,093	2,701,272
Non-current		
Unbilled revenue	4,869,603	–
	4,869,603	–

The average credit period is 30 days. No interest is charged on trade receivables. Based on the Management's best estimate, the doubtful debts amounting to AUS $ 138,365 exist as on March 31, 2019.

11. Prepayments

In AUS $

Particulars	2019	2018
Prepaid expenses	421,559	53,634
Loans and advances to employees	11,789	31,420
Advances paid for suppliers	–	72,418
	433,348	157,472
Non-current		
Prepaid expenses	628,310	–
	628,310	–

12.a Cash and cash equivalents

In AUS $

Particulars	2019	2018
Cash and cash equivalents		
Cash at bank	25,819,060	20,874,003
	25,819,060	20,874,003

12.b Cash flows from operating activities

In AUS $

Particulars	2019	2018
Reconciliation of cash flow from operations with profit after income tax	1,548,491	429,850
Adjustments for		
Depreciation	67,063	91,774
Deferred tax assets	(3,144,903)	140,037
Net tax assets (liabilities)	4,144,544	269,644
	2,615,195	931,305
Changes in		
Trade and other receivables	(4,834,821)	1,399,359
Other current assets	(4,324,872)	(33,417)
Prepayments	(904,186)	(12,747)
Trade and other payables	1,271,719	(22,237)
Other liabilities	3,706,472	(632,123)
Provisions	101,572	35,762
Employee benefits obligation	7,332,176	(570,985)
Net cash from operating activities	4,963,255	1,094,917

12.c Other current assets

In AUS $

Particulars	2019	2018
Cash on deposit as security	–	500,000
Interest accrued but not received	39,610	84,341
	39,610	584,341

13. Property, plant and equipment

In AUS $

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2017	74,702	317,834	510,379	902,915
Additions	–	–	21,640	21,640
Disposals	–	–	–	–
Balance at March 31, 2018	74,702	317,834	532,019	924,555
Balance at April 1, 2018	74,702	317,834	532,019	924,555
Additions	1,109	–	17,089	18,198
Disposals	–	–	–	–
Balance at March 31, 2019	75,811	317,834	549,108	942,753
Accumulated Depreciation				
Balance at April 1, 2017	52,077	278,152	319,598	649,827
Depreciation	11,292	9,447	71,035	91,774
Disposals	–	–	–	–
Balance at March 31, 2018	63,369	287,599	390,633	741,601
Balance at April 1, 2018	63,369	287,599	390,633	741,601
Depreciation	7,217	9,422	50,424	67,063

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Disposals	–	–	–	–
Balance at March 31, 2019	70,586	297,021	441,057	808,664
Carrying amounts				
At March 31, 2018	18,856	30,235	133,863	182,954
At March 31, 2019	5,225	20,813	108,051	134,089

14. Trade and other payables

In AUS $

Particulars	2019	2018
Trade payables	1,263,529	16,787
Amounts due to related party	95,158	70,181
	1,358,687	86,968

The average credit period on purchases is 30 days from the date of invoice. No interest is charged on overdue payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

15. Other current liabilities

In AUS $

Particulars	2019	2018
Other current liabilities		
Accrued expenses – cost of third party software	3,564,578	–
Accrued expenses – others	966,802	720,479
Deferred revenue	66,745	108,105
Withholding taxes payable	102,051	165,120
	4,700,176	993,704
Non-current		
Accrued expenses – cost of third party software	6,546,050	–
Accrued expenses – others	830,331	246,720
	7,376,380	246,720

16. Tax assets and liabilities

a. Deferred tax assets

In AUS $

Particulars	2019	2018
Deferred tax assets		
Deferred tax assets due to timing differences		
Provision for doubtful debts	46,093	46,760
Provision for expenses	3,222,007	128,108
Provision for employee benefits	386,776	365,577
Provision for post-sale customer support	57,138	26,666
Deferred tax liabilities	–	–
Net deferred tax assets	3,712,014	567,111

b. Reconciliation of effective tax rate

In AUS $

Particulars	2019	2018
Profit before tax	2,241,375	719,317
Tax using the Company's domestic tax rate of 30% (2018: 30%)	672,412	215,795
Non-deductible expenses	20,472	73,672
Income tax expense for the period	692,884	289,467

17. Provisions

In AUS $

Particulars	2019	2018
Provision for post-service client-support	190,460	88,888
	190,460	88,888

18. Employee benefit obligations

In AUS $

Particulars	2019	2018
Current		
Provision for employee bonuses	1,347,271	1,215,417
Annual leave	555,923	478,303
Long service leave	214,227	159,180
	2,117,421	1,852,900
Non-current		
Long service leave	519,103	581,108
	519,103	581,108

19. Operating leases

Leases as lessee

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows:

In AUS $

Particulars	2019	2018
Less than one year	661,549	639,125
Between one and five years	529,876	1,191,425
Total	1,191,425	1,830,550

20. Key management personal compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors of the Company are considered as key management personnel of the Company.

The employee compensation is as follows:

In AUS $

Particulars	2019	2018
Short-term employee benefits	366,770	746,235

21. Financial instruments

Financial instruments by category:

In AUS $

Financial assets at amortized cost	2019	2018
Cash and cash equivalents	25,819,060	20,874,003
Trade and other receivables	7,536,093	2,701,272
Other current assets	39,610	584,341
	33,394,763	24,159,616
Financial liabilities		
At amortized cost		
Trade and other payables	1,358,687	86,968
Other current liabilities	10,758,036	782,702
	12,116,723	869,670

22. Contingent liabilities and financing facilities

a. Contingent liabilities

In the opinion of the Management, there are no contingent liabilities as at the Balance Sheet.

b. Financing facilities

In AUS $

Particulars	2019	2018
Unsecured bank guarantee facility reviewed annually and payable at call-Amount used	403,317	403,317
	403,317	403,317

23. Related party transactions

The details of the related party transactions entered into by the Company during the year ended March 31 are as follows:

In AUS $

Particulars	2019	2018
Purchase of services		
Infosys BPM Limited	463,709	281,493
Infosys Management Consulting Pty Limited	62,740	–
	526,449	281,493
Sale of services		
Infosys Limited	3,166,357	1,804,191
Infosys BPM Limited	1,114,502	2,116,258
Infosys Poland Sp.z.o.o	80	(46,638)
	4,280,939	3,873,811

The details of the amount due to or due from the related parties as at March 31 are as follows:

In AUS $

Particualrs	2019	2018
Trade receivables		
Infosys Limited	171,673	29,369
Infosys BPM Limited	–	191,033
	171,673	220,402
Other receivables		
Infosys Limited	13,940	5,358
Infosys BPM Limited	–	896
	13,940	6,254
Trade payables		
Infosys BPM Limited	44,229	33,248
	44,229	33,248
Other payables		
Infosys Limited	50,929	36,933
	50,929	36,933

24. Capital risk management

The Company manages its capital to ensure it continues as a going concern. The capital structure comprises issued capital, cash and retained earnings. There are no externally imposed capital requirements on the Company.

25. Capital and reserves

(a) Share capital

In AUS $

Particulars	Ordinary shares	
	2019	2018
On issue at April 1, (17,450,000 number of shares)	3,389,049	3,389,049
Issued for cash	–	–
On issue at March 31, (17,450,000 number of shares)	3,389,049	3,389,049

All shares rank equally with regard to the Company's residual assets.

Ordinary shares

The Company does not have authorized capital or par value in respect of its issued shares. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividends

Particulars	2019	2018
Dividend paid	–	–
	–	–

(c) Dividend franking account

In AUS $

Particulars	2019	2018
30 per cent franking credits available to shareholders of Portland Group Pty. Limited for subsequent financial years	7,491,774	7,798,531
	7,491,774	7,798,531

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- franking credits/ debits that will arise from the payment/ receipts of the current tax liabilities/ assets;
- franking debits that will arise from the payment of dividends recognized as a liability at the year-end;
- franking credits that will arise from the receipt of dividends recognized as receivables by the tax consolidated company at the year-end; and
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilize the franking credits is dependent upon there being sufficient available profits to declare dividends.

26. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years, other than above.

Directors' declaration

In the opinion of the directors of the Portland Group Pty. Limited ('the Company'):

(a) The Company is not publicly accountable nor a reporting entity;

(b) The financial statements and notes, set out on page 3 to 23, are in accordance with the Corporations Act, 2001, including:

(i) giving a true and fair view of the financial position of the Company as at March 31, 2019 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Corporations Regulations, 2001; and

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Andrew Jarvis
Managing Director and Chief Executive Officer

Sydney
May 13, 2019

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Infosys BPO Americas, LLC

Independent Auditor's Report

To the Board of Directors of Infosys BPO Americas, LLC

We have audited the accompanying financial statements of Infosys BPO Americas, LLC (a Delaware corporation), which comprise the balance sheets as of March 31, 2019 and 2018 and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Infosys BPO Americas, LLC, as of March 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sudhir Pai CPA, PLLC
Certified Public Accountants

Irving, TX

April 25, 2019

Balance Sheet

In US $

Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents	3	2,275,969	432,033
Accounts receivables, net of doubtful balances		116,939	–
Unbilled revenue		141,373	–
Prepayments and other assets		35,547	85,312
Total current assets		2,569,828	517,345
Total non-current assets		–	–
Total assets		2,569,828	517,345
LIABILITIES AND EQUITY			
Current liabilities			
Loan from related parties		513,596	501,096
Trade payables		144,366	–
Provisions		5,494	–
Other liabilities		487,680	270,300
Total current liabilities		1,151,136	771,396
Non-current liabilities			
Other non-current liabilities		–	–
Total non-current liabilities		–	–
Total liabilities		1,151,136	771,396
MEMBER'S EQUITY			
Member's equity		3,000,000	1,000,000
Accumulated deficit		(1,581,308)	(1,254,051)
Total member's equity		1,418,692	(254,051)
Total liabilities and member's equity		2,569,828	517,345

The accompanying notes form an integral part of the financial statements.

Prem Pereira
Authorized signatory

April 25, 2019

Statement of Comprehensive Income

In US $

Particulars	Note no.	Years ended March 31,	
		2019	2018
Revenue		1,370,863	–
Cost of revenue	4	1,296,280	–
Gross profit/ (loss)		74,583	–
Other expenses			
Selling and marketing expenses		50,855	45
Administrative expenses	5	338,487	835,448
Total other expenses		389,342	835,493
Operating loss		(314,759)	(835,493)
Interest expense		12,500	1,096
Miscellaneous income		(2)	(6)
Loss before income taxes		(327,257)	(836,583)
Income tax expense		–	–
Net loss		(327,257)	(836,583)
Other comprehensive income		–	–
Total comprehensive loss		(327,257)	(836,583)

The accompanying notes form an integral part of the financial statements.

Prem Pereira
Authorized signatory

April 25, 2019

Statement of Changes in Equity

In US $

Particulars	Member's equity	Additional paid-in capital	Accumulated deficit	Total Member's equity
Balance as of April 1, 2017	1,000,000	–	(417,468)	582,532
Changes in members equity for the year ended March 31, 2018				
Net loss for the year	–	–	(836,583)	(836,583)
Balance as of March 31, 2018	1,000,000	–	(1,254,051)	(254,051)
Changes in members equity for the year ended March 31, 2019				
Shares issued to member	–	2,000,000	–	2,000,000
Net loss for the period	–	–	(327,257)	(327,257)
Balance as of March 31, 2019	1,000,000	2,000,000	(1,581,308)	1,418,692

The accompanying notes form an integral part of the financial statements.

Prem Pereira
Authorized signatory

April 25, 2019

Statement of Cash Flows

In US $

Particulars	Years ended March 31,	
	2019	2018
Cash flows from operating activities		
Net loss for the period	(327,257)	(836,583)
Adjustments to reconcile net profit to net cash provided by operating activities		
Provision for service level risk on revenue contracts	5,494	–
Allowance for doubtful accounts	1,559	–
Exchange difference	(2)	(6)
Interest expense	12,500	1,096
Cash operating loss	(307,706)	(835,493)
Changes in assets and liabilities		
Accounts receivable	(117,643)	–
Prepayments and other assets	49,765	(34,587)
Unbilled revenues	(142,227)	–
Trade payables	144,366	(2,030)
Other liabilities and provisions	217,381	86,210
Net cash used in provided by operating activities	(156,064)	(785,900)
Cash flows from investing activities		
Expenditure on Property, plant and equipment	–	–
Net cash used in investing activities	–	–
Cash flows from financing activities		
Capital Infusion	2,000,000	–
Loan from related parties	–	500,000
Net cash generated in financing activities	2,000,000	500,000
Net changes in cash and cash equivalents	1,843,936	(285,900)
Cash and cash equivalents at the beginning of the period	432,033	717,933
Cash and cash equivalents at the end of the period	2,275,969	432,033
Supplementary information		
Interest paid during the period	–	–

The accompanying notes form an integral part of the financial statements.

Prem Pereira
Authorized signatory

April 25, 2019

Notes to the Financial Statements

1. Company overview and significant accounting policies

1.1 Company overview

Infosys BPO Americas, LLC, ('the Company') is a Mortgage fulfillment services based business that provides end to end Mortgage fulfillment services .

The Company was formed in November 2015 as a limited liability company under the provisions of the Delaware Limited Liability Company Act (the Act). The Company was formed by Infosys BPM Limited (formerly known as Infosys BPO Limited), a subsidiary of Infosys Limited.

1.2 Basis of preparation of financial statements

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles to reflect the financial position and results of operations of the Company. The financial statements have been presented in United States Dollars.

1.3 Use of estimates

The preparation of financial statements is in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Revenue recognition

Revenue from mortgage fullfillment services, which principally relates to implementation, enhancement, training and support services associated with the Company's products, is derived under both time-and-material and fixed-price agreements. Revenue on time-and-material contracts is recognized as the related services are rendered. Revenue related to fixed-price agreements is recognized on a percentage of completion basis over the term of the agreement. In measuring progress towards completion, the input (efforts expended) method has been used. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

1.5 Plant and equipment

Property and equipment are stated at cost, less accumulated depreciation. The Company depreciates property and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Computer equipment	3-5 years
Office furniture and equipment	5 years

Leasehold improvements are amortized on a straight line basis over the lesser of the remaining lease term or the estimated useful life of the asset.

For computer equipment, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets.

The cost of software purchased for internal use is accounted under FASB ASC Topic 350-40 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Deposits paid towards the acquisition of these long lived assets outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress". Costs of improvements that substantially extend the useful life of particular assets are capitalized. Repairs and maintenance cost are charged to earnings when incurred. The cost and related accumulated depreciation are removed from the financial statements upon sale or disposition of the asset.

The Company evaluates the recoverability of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value. Assets to be disposed are reported at the lower of the carrying value or the fair value less the cost to sell.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks.

1.7 Accounts receivable

Accounts receivable are recorded at the invoiced amount. The Company's accounts receivable relate principally to revenue earned from customers located in the United States.

The Company maintains an allowance for doubtful accounts to provide coverage for losses from client receivables. In establishing the required allowance, the Management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, the current receivables aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

1.8 Employee benefit obligations

The employees of the Company are entitled to compensated absences which is non-accumulating in nature. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.9 Income taxes

Income taxes are accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized. Changes in valuation allowance from period to period are reflected in the income statement of the period of change.

2. Member's equity

At March, 2019, the Company had one member, Infosys BPM Limited (the 'Member'). The Member owns 100% of the interests of the Company.

3. Cash and cash equivalents

In US $

Particulars	As at March 31,	
	2019	2018
Current account	2,275,969	432,033

4. Cost of revenue

In US $

Particulars	Years ended March 31,	
	2019	2018
Salaries	723,344	–
Subcontractor charges	566,432	–
Others	6,504	–
Total	1,296,280	–

5. Administrative expenses

In US $

Particulars	Years ended March 31,	
	2019	2018
Salaries	187,358	532,131
Legal & Professional charges	33,381	123,340
Others (Insurance,Rates and taxes)	117,748	179,977
Total	338,487	835,448

6. Related party transactions

Name of the related party and their relationships:

Holding company, Infosys BPM Limited (formerly known as IBPO Limited).

There are no transactions with the holding company. during the period ended March 31, 2019, except as disclosed below. The summary of material related party transactions during the period is as follows:

In US $

Name of the party	Nature of transaction	For the period ended March 31, 2019	Closing as on March 31, 2019
Infosys Public Services Limited	Loan	–	513,596
Infosys BPM	Capital Infusion	2,000,000	3,000,000

7. Subsequent events

The Company has evaluated all events or transactions that occurred after the balance sheet date through the date that the financial statements were available for issue. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

for Infosys BPO Americas, LLC

Prem Pereira
Authorized signatory

April 25, 2019

Infosys (Czech Republic) Limited s.r.o

Introduction

Company: Infosys (Czech Republic) Limited s.r.o.,

Holandská 872/9, Štýrice, 639 00 Brno,

Czech Republic

Ident. No: 269 18 757

(hereinafter the "company")

Period: 1 April 2018 to 31 March 2019

Introduction

The nature of the services (business process outsourcing) provided by the company Infosys (Czech Republic) Limited s.r.o. is in line with the following trade licenses in the Czech Republic:

1. Production, trade and services not listed in annexes 1 to 3 of the Trade Licensing Act

Fields of activity:

- Services in the area of administration and services of an organizational and economic nature;
- Provision of software, information technology consulting, data processing, hosting and related activities and web portals;
- Guidance and consulting activities, production of expert studies and opinions;
- Research and development in the field of natural and technical sciences or social sciences;
- Intermediation in trade and services; and
- Translation and interpretation activities.

2. Activities of accounting advisors and accounts keeping

Description of activities:

Technical Contact Centre

Providing technical support to Infosys clients' personnel and/or customers via phone, mail, or chat.

Support provided in most of European languages.

Finance and Accounting

Providing expert accounting support in the following areas:

- Accounts payable;
- Accounts receivable;
- Travel & expense; and
- General ledger.

Insurance services

Processes:

- Underwriting Support (end to end process – all stages of insurance policies)

Banking Services

Providing reporting software on boarding support to European clients of an American Banking institution

Digital Content Management

Analysing, updating and reporting on digital content for a major American Hi-Tech Manufacturer

Sales Support

Support of Sales and Quoting activities in the European region for an American Hi-Tech Manufacturer

Other Services

Small client operations with the following processes:

Translation & interpretation support

Remote Warehouse software support

- Remote quality control
- Transition and due-diligence support
- Project Management support
- Process and Operation Consulting
- Application Development and Maintenance
- IT Services Management

Information according to Sec 21(2) of Act No. 563/1991, Act on Accounting

- About facts which occurred after the balance sheet date and are material for the fulfilment of the purpose of this Annual Report: none

No such facts occurred after the balance sheet date.

Changes in the Supervisory Board:

On 18 July 2018, Mr Narayanan Sampath become a member of the Supervisory Board.

On 20 July 2018, Mr Ritesh Gandhi became Chairman of the Supervisory Board.

The appointment of Mr Narayanan Sampath to the Supervisory Board and the election of Mr Ritesh Gandhi to the position of Chairman of the Supervisory Board were registered in the Commercial Register on 20 September 2018.

- About forecasted development in activities of the reporting unit

The turnover for 2018-19 amounted to 386,724 TCZK compared with 274,496 TCZK for 2017-18. The number of employees as at 31 March 2019 (including employees on maternity and parental leave) was 593 (31 March 2018 – 383 employees).

It is expected that in 2019-20 there will be 704 (excluding employees on maternity and parental leave) employees and turnover of 545,327 TCZK

- About any R&D activities: none
- About acquisition of own shares or own ownership interests

The company has acquired no own shares or ownership interests.

- About any activities in the area of environmental protection

The company tries to reach ecological and thrifty handling with raw materials, energy, water and other sources when providing services in order to improve the inputs efficiency.

- About labour-law relations

The company fulfils and meets all conditions, duties stipulated by the Czech labour code.

- The company does not have any branch or other component of its business enterprise abroad.

Enclosures:

- Audit report
- Financial statements as of and for the period ended 31 March 2019
- Report on Relations for the Accounting Period 1 April 2018 – 31 March 2019

Date: 21 May 2019

Signature

Kapil Jain
Company Executive Director

Independent Auditor's Report

To the Partner of Infosys (Czech Republic) Limited s.r.o.

Having its registered office at: Holandská 872/9, Štýrice, 639 00 Brno

Opinion

We have audited the accompanying financial statements of Infosys (Czech Republic) Limited s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 March 2019, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Infosys (Czech Republic) Limited s.r.o. as of 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executive is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory Executive and Supervisory Board for the Financial Statements

The Statutory Executive is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

In Prague on 21 May 2019

Audit Firm:	Statutory auditor:
Deloitte Audit s.r.o.	Miroslav Zigàček
Registration number: 079	Registration number: 2222

Balance Sheet

(in CZK thousand)

		3/31/2019			3/31/2018 (restated for change in policy)
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	404,483	66,502	337,981	298,596
B.	Fixed assets	125,476	66,423	59,053	82,799
B.I.	Intangible fixed assets	3,092	138	2,954	
B.I.2.	Valuable rights	3,092	138	2,954	
B.I.2.1.	Software	3,092	138	2,954	
B.II.	Tangible fixed assets	87,932	66,285	21,647	16,748
B.II.1.	Land and structures	10,358	10,013	345	714
B.II.1.2.	Structures	10,358	10,013	345	714
B.II.2.	Tangible movable assets and sets of tangible movable assets	76,174	56,272	19,902	14,633
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	1,400		1,400	1,401
B.II.5.2.	Tangible fixed assets under construction	1,400		1,400	1,401
B.III.	Non-current financial assets	34,452		34,452	66,051
B.III.5.	Other non-current securities and investments	34,452		34,452	66,051
C.	Current assets	277,425	79	277,346	215,142
C.II.	Receivables	117,247	79	117,168	74,243
C.II.1.	Long-term receivables	16,672		16,672	10,169
C.II.1.4.	Deferred tax asset	9,416		9,416	5,563
C.II.1.5.	Receivables - other	7,256		7,256	4,606
C.II.1.5.2.	Long-term prepayments made	7,256		7,256	4,606
C.II.2.	Short-term receivables	100,575	79	100,496	64,074
C.II.2.1.	Trade receivables	81,570	79	81,491	53,556
C.II.2.4.	Receivables - other	19,005		19,005	10,518
C.II.2.4.3.	State - tax receivables	1,415		1,415	6,528
C.II.2.4.4.	Short-term prepayments made				560
C.II.2.4.5.	Estimated receivables	17,579		17,579	3,410
C.II.2.4.6.	Sundry receivables	11		11	20
C.IV.	Cash	160,178		160,178	140,899
C.IV.1.	Cash on hand	2		2	
C.IV.2.	Cash at bank	160,176		160,176	140,899
D.	Other assets	1,582		1,582	655
D.1.	Deferred expenses	1,582		1,582	655

		3/31/2019	3/31/2018 (restated for change in policy)
	TOTAL LIABILITIES & EQUITY	337,981	298,596
A.	Equity	215,704	238,273
A.I.	Share capital	18,750	18,750
A.I.1.	Share capital	18,750	18,750
A.II.	Share premium and capital funds	-19,767	11,832
A.II.2.	Capital funds	-19,767	11,832
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	-19,767	11,832
A.III.	Funds from profit	1,875	1,875
A.III.1.	Other reserve funds	1,875	1,875
A.IV.	Retained earnings (+/-)	205,816	207,148
A.IV.1.	Accumulated profits or losses brought forward (+/-)	205,816	207,148
A.V.	Profit or loss for the current period (+/-)	9,030	-1,332
B.+C.	Liabilities	100,001	38,034
B.	Reserves	51,715	3,631
B.II.	Income tax reserve	4,323	
B.IV.	Other reserves	47,392	3,631
C.	Payables	48,286	34,403
C.II.	Short-term payables	48,286	34,403
C.II.4.	Trade payables	9,688	3,340
C.II.8.	Other payables	38,598	31,063
C.II.8.3.	Payables to employees	22,062	17,362
C.II.8.4.	Social security and health insurance payables	6,013	4,531
C.II.8.6.	Estimated payables	10,509	9,170
C.II.8.7.	Sundry payables	14	
D.	Other liabilities	22,276	22,289
D.1.	Accrued expenses	14,394	15,507
D.2.	Deferred income	7,882	6,782

Profit and Loss Accout

(in CZK thousand)

		Year Ended	
		3/31/2019	3/31/2018
I.	Sales of products and services	386,724	274,496
A.	Purchased consumables and services	67,631	47,029
A.2.	Consumed material and energy	5,936	3,669
A.3.	Services	61,695	43,360
D.	Staff costs	265,435	188,047
D.1.	Payroll costs	193,142	139,057
D.2.	Social security and health insurance costs and other charges	72,293	48,990
D.2.1.	Social security and health insurance costs	66,922	45,751
D.2.2.	Other charges	5,371	3,239
E.	Adjustments to values in operating activities	8,461	5,664
E.1.	Adjustments to values of intangible and tangible fixed assets	8,449	5,663
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	8,449	5,663
E.3.	Adjustments to values of receivables	12	1
F.	Other operating expenses	38,674	7,039
F.3.	Taxes and charges	34	7
F.4.	Reserves relating to operating activities and complex deferred expenses	36,978	6,522
F.5.	Sundry operating expenses	1,662	510
*	Operating profit or loss (+/-)	6,523	26,717
VI.	Interest income and similar income	247	3
VI.2.	Other interest income and similar income	247	3
VII.	Other financial income	14,026	1,974
K.	Other financial expenses	4,201	30,026
*	Financial profit or loss (+/-)	10,072	-28,049
**	Profit or loss before tax (+/-)	16,595	-1,332
L.	Income tax	7,565	
L.1.	Due income tax	11,418	154
L.2.	Deferred income tax (+/-)	-3,853	-154
**	Profit or loss net of tax (+/-)	9,030	-1,332
***	Profit or loss for the current period (+/-)	9,030	-1,332
*	Net turnover for the current period	400,997	276,473

Statement Of Changes In Equity

(in CZK thousand)

	Share capital	Gains or losses from the revaluation of assets and liabilities (+/-)	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 March 2017	18,750		1,875	193,841	55,339	269,805
Distribution of profit or loss				13,307	-55,339	-42,032
Gains or losses from the revaluation of assets and liabilities		-3,312				-3,312
Profit or loss for the current period					-1,332	-1,332
Balance at 31 March 2018 - original		-3,312				
Impact of change in the policy of measuring financial investments		15,144				
Balance at 31 March 2018 - restated	18,750	11,832	1,875	207,148	-1,332	238,273
Distribution of profit or loss				-1,332	1,332	
Gains or losses from the revaluation of assets and liabilities		-31,599				
Profit or loss for the current period					9,030	9,030
Balance at 31 March 2019	18,750	-19,767	1,875	205,816	9,030	215,704

Cash Flow Statement

(in CZK thousand)

		Year ended	
		3/31/2019	3/31/2018
P.			
	Opening balance of cash and cash equivalents	140,899	178,898
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	16,595	-1,332
A.1.	Adjustments for non-cash transactions	51,975	12,181
A.1.1.	Depreciation of fixed assets	8,449	5,663
A.1.2.	Change in provisions and reserves	43,773	6,521
A.1.5.	Interest expense and interest income	-247	-3
A.*	Net operating cash flow before changes in working capital	68,570	10,849
A.2.	Change in working capital	-31,898	-26,036
A.2.1.	Change in operating receivables and other assets	-45,768	-34,199
A.2.2.	Change in operating payables and other liabilities	13,870	8,163
A.**	Net cash flow from operations before tax	36,672	-15,187
A.5.	Income tax paid from ordinary operations	-1,091	-9,824
A.***	Net operating cash flows	35,581	-25,011
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	-16,302	-12,988
B.***	Net investment cash flows	-16,302	-12,988
	Cash flow from financial activities		
F.	Net increase or decrease in cash and cash equivalents	19,279	-37,999
R.	Closing balance of cash and cash equivalents	160,178	140,899

General Information and Description of the Business

Incorporation and Description of the Company

Infosys (Czech Republic) Limited s.r.o. (hereinafter the "Company") was incorporated on 4 February 2004 following its registration in the Register of Companies held by the Regional Court in Brno, Insert No. 45386, File C. The principal business activities of the Company include the production, trade and services not listed in Appendices 1 to 3 of the Trade Licencing Act, and accounting advisory, book-keeping and tax records keeping.

Reporting Period

1 April 2018 – 31 March 2019

Company Owners

The Company's shareholder as of 31 March 2019:

INFOSYS BPM LIMITED100 %

560100 Bangalore, Electronics City, Hosur Road, Plot Nos. 26/3, 26/4, 26/6

India

Registered Office of the Company

Infosys (Czech Republic) Limited s.r.o.

Holandská 872/9

Postcode 639 00 Štýrice, Brno

Corporate ID

269 18 757

Statutory Body

The sole Executive Director of the Company as of 31 March 2019:

KAPIL JAIN

Acting on Behalf of the Company

The Executive Director acts independently on behalf of the Company.

Members of the Supervisory Board as of 31 March 2019:

Chairman of the Board of Directors:

RITESH GANDHI

Member of the Board of Directors

NARAYANAN SAMPATH

The consolidated financial statements of the broadest group of reporting entities, the part of which the Company as a consolidated entity is, are prepared by Infosys Limited, based in Electronics City, Hosur Road, Bangalore, 560 100 India. The consolidated financial statements can be obtained in the consolidating entity's registered office.

The consolidated financial statements of the narrowest group of reporting entities, the part of which the Company as a consolidated entity is, are prepared by Infosys BPM Limited based at Plot Nos. 26/3, 26/4, 26/6, Electronics City, Hosur Road, Bangalore, 560100 India. The consolidated financial statements can be obtained in the consolidating entity's registered office.

Changes in the Corporate Records made in the Register of Companies:

In the year ended 31 March 2019, the following changes were recorded:

Executive Director:

KAPIL JAIN,

born on 3 March 1967

SW197PB London, 12 The Oaks, 84-86 Wimbledon Hill Road, United Kingdom

Position origination date: 1 October 2017

Recorded on 9 March 2018

Removed on 11 March 2019

Executive Director:

KAPIL JAIN,

born on 3 March 1967

SW197PB London, 18 Tybenham Road, United Kingdom

Position origination date: 1 October 2017

Recorded on 11 March 2019

Removed on 18 March 2019

Executive Director:

KAPIL JAIN,

born on 3 March 1967

SW197PB London, 8 Tybenham Road, United Kingdom

Position origination date: 1 October 2017

Recorded on 18 March 2019

Member of the Supervisory Board:

RITESH GANDHI,

born on 23 April 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom

Membership origination date: 1 October 2017

Recorded on 9 March 2018

Removed on 20 September 2018

Chairman of the Supervisory Board:

RITESH GANDHI,

born on 23 April 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom

Position origination date: 20 July 2018

Membership origination date: 1 October 2017

Recorded on 20 September 2018

Member of the Supervisory Board:

NARAYANAN SAMPATH,

born on 11 May 1959

560070 Bangalore, F 301, Adarsh Residency, 47th Cross, 8th Block, Jayanagar, Republic of India

Membership origination date: 18 July 2018

Recorded on: 20 September 2018

Number of Members of the Supervisory Board:

three (3)

Recorded on 24 May 2016

Remove on 9 March 2018

Number of Members of the Supervisory Board:

two (2)

Recorded on 9 March 2018

Organisational Structure

The Company is managed by the Executive Director.

2. Significant Accounting Policies Applied by the Company

The financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended (hereinafter the "Accounting Act") and the Regulation 500/2002 Coll. of the Ministry of Finance of the Czech Republic, which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended (hereinafter the "Regulation"). The comparative figures for the year ended 31 March 2018 are presented in line with the structure and classification of items in the balance sheet and profit and loss account as stipulated by the Regulation, as amended for 2018.

The financial statements were prepared under the assumption of the Company's ability to operate as a going concern.

(a)Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets are stated at cost. Tangible and intangible fixed assets with the acquisition cost of less than CZK 2.5 thousand are not presented on the face of the balance sheet and are expensed in the year of acquisition. The following table shows the depreciation methods and periods by asset type:

Asset	Depreciation method	Time of depreciation
PC equipment	straight-line	30 – 60 months
Office equipment	straight-line	60 months
Software	straight-line	36 months

Technical improvements on tangible assets held under a lease (buildings) are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life.

(b)Non-Current Financial Assets

Non-current financial assets are valued in line with Sections 25 and 27 of the Accounting Act and Sections 48 and 51 of the Regulation.

In line with the Act and the Regulation, equity investments are measured at fair value. Changes in the measurement of equity investments are recognised on balance sheet accounts in accounting group 41.

(c)Provisions and Reserves

Receivables

The Company establishes provisions against doubtful receivables based on an analysis of individual debtor's solvency. Individual receivables are analysed based on turnover.

Reserves

Reserve for Outstanding Vacation Days

The reserve for outstanding vacation days at the balance sheet date is established based on an analysis of the outstanding vacation days and the average payroll costs, including the costs of social security and health insurance payments per employee.

Income Tax Reserve

The income tax reserve is established due to the fact that the date of preparing the financial statements precedes the date at which the tax liability is determined. In the subsequent reporting period, the reserve is released and the identified tax liability is recognised. The Company recognises the income tax reserve in an amount corresponding to the created reserve net of income tax prepayments made if these are lower than the anticipated tax. If such prepayments are higher than or equal to the anticipated tax liability, no income tax reserve is recognised by the Company.

Reserve for Warranty Claims

The Company establishes a reserve for the risk of warranty claims arising from projects and engagements implemented in the prior reporting period.

Reserve for Other Risks

The reserve for other risks is established for sundry risks arising from other matters identified by the Company as of the balance sheet date.

(d)Foreign Currency Translation

Transactions denominated in foreign currencies are translated using a fixed monthly exchange rate determined based on the daily exchange rate promulgated by the Czech National Bank as of the first business day of each calendar month. The exchange rate is applicable for all transactions occurring in the relevant month. Customer invoices are translated using the exchange rate promulgated by the Czech National Bank as of the date of the invoice issuance. During the reporting period, solely realised foreign exchange rate gains and losses are reported.

At the balance sheet date, the relevant assets and liabilities denominated in foreign currencies are translated at the Czech National Bank's exchange rate prevailing as of that date. Unrealised foreign exchange rate gains and losses are recognised in the profit or loss for the reporting period.

(e)Assets Held under Leases

The Company reports leasehold assets by including the lease payments in expenses on a straight-line basis over the lease period. Upon the expiry of the lease and exercise of the option to purchase the leased asset, the subject of the lease is reported as part of the Company's assets at purchase (replacement) cost.

(f)Income Taxation

The tax payable for the given period includes the tax currently payable and the change in the deferred tax balance.

The tax currently payable includes the estimate of the tax calculated from the tax base using the tax rate applicable on the last day of the reporting period and all additional taxes and tax refunds for prior periods.

The deferred tax is based on all temporary differences between the accounting and tax values of assets and liabilities, using the anticipated tax rate valid for the period in which the tax asset will be realised or the liability settled.

A deferred tax asset is recognised only if it is likely that it will be realised in the following reporting periods.

(g)Classification of Payables

The Company classifies a portion of long-term payables, bank loans and financial borrowings maturing within less than one year from the balance sheet date as short-term payables.

Accrued expenses and deferred income are recognised in balance sheet item D 'Other liabilities' as long-term. The presentation treatment corresponds to that of deferred expenses and accrued income in both the current and comparable periods.

(h)Other Operating Income

The Company reports income arising from received grants in the reporting period in which the relevant authorities rule to provide the funding under the grants.

(i)Accruals and Deferrals Accounts

Deferred expenses include expenses relating to the costs of future reporting periods.

Accrued expenses include expenses relating the current reporting period but the respective cost has not yet been incurred. This principally relates to the impacts of rental/ operating lease payments distributed evenly over the contract term on an accrual basis.

Deferred income consists of income relating to future reporting periods. Income from accrual contracts is recognised when the relating services are realised and the income from the latest billing as of the recognition date is recognised as unbilled income.

(j)Revenue Recognition

Revenues are recognised as of the date of realising sales net of discounts and income taxes. With regard to long-term contracts for which the course of billing precedes the course of delivering services defined based on the proportion of the time spent to the total contract term, the Company recognises a proportionate part of such billing on an accrual basis in the form of deferred income. Otherwise, when services are delivered prior to billing, the Company recognises a proportionate part of such billing on an accrual basis in the form of estimated receivables.

Reserves for potential losses arising from contracts in progress are recognised in the period in which they are likely to be incurred based on estimated contracts as of the balance sheet date.

(k)Cash and Cash Equivalents

Cash on hand includes cash on hand and stamps and vouchers, or cash in transit relating to this item.

Cash on bank accounts relates to balances on accounts, especially bank accounts, or cash relating to this item.

Cash flows are recognised using the indirect method, with the profit for the period being adjusted by the impacts of non-cash transactions, deferrals, accruals or deferrals of past or future operating income or payments, and income and expense items relating to the investments of cash flows. Cash flows from the Company's operating, investment and financial activities are separated. All highly-liquid investments that are easily convertible into cash are considered known cash equivalents.

(l) Employee Benefits

The Company has prepared a policy on compensated cumulated absence. The estimated costs of cumulated absence are determined based on an actuarial valuation conducted by an independent actuary as of each balance sheet date using the method of estimated unit time period.

(m) Related Party Transaction

The Company's Related Parties refer to:

- Parties that may exercise, directly or indirectly, a material or controlling influence over the Company and their subsidiaries; and
- Members of the statutory, supervisory and management bodies of the Company or its parent company and close persons of the aforementioned parties, including associates and subsidiaries of those members or persons.

The Company has entered into a transfer pricing agreement with the parent company and fellow subsidiaries. All related party transactions are recorded in line with this transfer pricing agreement.

(n) Subsequent Events

The impact of events which occurred between the balance sheet date and the date of preparing the financial statements is presented in the financial statements when these events provided additional information on facts that existed as of the balance sheet date.

When significant post-balance sheet events occurred between the balance sheet date and the date of preparing the financial statements, the impacts of those events are disclosed in the notes to the financial statements but are not presented in the financial statements.

3. Changes in Accounting Principles and Policies

In the year ended 31 March 2019, changes were made in the accounting principles and policies.

Measurement of equity investments:

In the financial statements as of and for the year ended 31 March 2018, equity investments are measured at cost with remeasurement due to changes in exchange rates in accounting group 41. In the financial statements as of and for the year ended 31 March 2019, equity investments are measured at fair value recognised through accounting group 41 due to an increase in the informative value of the investment measurement. The change was made in the both current and comparable reporting periods; for more details, refer to the Statement of changes in equity.

The fair value of financial instruments is determined by the Company using various methods and assumptions based on market conditions and risks existing as of each balance sheet date. Methods used for determining fair value include an analysis of discounted cash flows and listed market prices that are available. All methods of fair value measurement result in the general approximation of a value which, in fact, does not have to be realised.

Specifying the presentation of accruals and deferrals:

Accrued expenses arising from the received discount on rental recognised on an accrual basis in the amount of CZK 14,394 thousand as of 31 March 2019 were reported in line 'Estimated payables' in the prior reporting period (31 March 2018: CZK 15,507 thousand). In the financial statements for the year ended 31 March 2019, the change was also made in the data for the prior reporting period to ensure that the presented data are comparable.

Deferred income arising from the income from long-term contracts recognised on an accrual basis in the amount of CZK 7,882 thousand as of 31 March 2019 were reported in line 'Other reserves' in the prior reporting period (31 March 2018: CZK 6,782 thousand). In the financial statements for the year ended 31 March 2019, the change was also made in the data for the prior reporting period to ensure that the presented data are comparable.

4. Tangible Fixed Assets

	Buildings	Machinery and equipment, Account No. 042	Financial assets	Total
Cost				
Balance at 1 April 2018	10,358	65,798	50,907	127,063
Additions	-	12,913		12,913
Disposals	-	1,137	31,599	32,736
Changes in fair value	-	-	15,144	15,144
Reclassification	-	-	-	-
Balance at 31 March 2019	10,358	77,574	34,452	122,384
Accumulated depreciation				
Balance at 1 April 2018	9,644	49,764	-	59,408
Depreciation	369	7,645	-	8 014
Accumulated depreciation on disposals	-	1,137	-	1,137
Reclassification	-	-	-	-
Balance at 31 March 2019	10,013	56,272	-	66,285
Net book value at 1 April 2018	714	16,034	50,907	67,655
Net book value at 31 March 2019	345	21,302	34,452	56,099

Major additions to fixed assets in the reporting period included the purchase of IT equipment and computers.

Financial assets include an equity investment of 8.6% in Unsilo A/S, with its registered office at: Inge Lehmannsgade 10, 8000 Aarhus C, Denmark.

None of the Company's assets have been pledged as security

	Buildings	Machinery and equipment, Account No. 042	Fixed assets	Total
Cost				
Balance at 1 April 2017	9,767	53,401	54,219	117,387
Additions	591	12,397	-	12,988
Disposals	-	-	-	
Reclassification	-	-	11,832	11,832
Balance at 31 March 2018	10,358	65,798	66,051	142,207
Accumulated depreciation				
Balance at 1 April 2017	9,401	44,344	-	53,745
Depreciation	242	5,420	-	5,662
Accumulated depreciation on disposals	-	-	-	-
Reclassification	-	-	-	-
Balance at 31 March 2018	9,644	49,764	-	59,408
Net book value at 1 April 2017	366	9,057	54,219	63,642
Net book value at 31 March 2018	714	16,034	66,051	82,799

5. Assets Held under Leases

Operating Leases

In the reporting period, the Company held non-residential premises under leases; the premises were located at the following address: Holandská 9 and 10, Brno, Postcode 639 00 (lease agreement valid until March 2023, with the option of extension). The total lease expenses amounted to CZK 25,416thousand and CZK 18,183 thousand in the years ended 31 March 2019 and 2018, respectively.

6. Trade Receivables and Payables

(a) Short-term trade receivables amounted to CZK 81,570 thousand (31 March 2018 – CZK 53,624 thousand), of which CZK 56,491 thousand (31 March 2018 – CZK 33,590 thousand) included past-due receivables. Provisions against doubtful receivables amounted to CZK 79 thousand and CZK 68 thousand as of 31 March 2019 and 2018, respectively. The Company records no receivables with maturity of more than five years.

(b) Short-term trade payables amounted to CZK 9,688 thousand (31 March 2018 – CZK 3,340 thousand), of which CZK 7,017 thousand (31 March 2018 – CZK 2,742 thousand) included past-due payables. The Company records no payables with maturity of more than five years.

7. Advance Payments Made

Short-term advance payments made include prepayments for the lease of residential and non-residential premises in the amount of CZK 0 thousand (as of 31 March 2018 – CZK 560 thousand).

Long-term advance payments made include prepayments for the lease of office premises in the amount of CZK 7,256 thousand (as of 31 March 2018 – CZK 4,606 thousand).

8. Statement of Changes in Equity

The Company's management anticipates transferring the profit generated in the reporting period to retained earnings. In the year ended 31 March 2019, the Company changed its accounting principles and policies with respect to the fair value measurement recognised through balance sheet accounts in accounting group no. 41. The change was made in the both current and comparable reporting periods.

9. Reserves

	Reserve for outstanding vacation days	Reserve for risks	Reserve for income tax	Reserve for other risks	Total
Balance at 1 April 2018	2,294	-	-	1,337	3,631
Change in reserves	1,051	43,036	4,323	- 326	48,084
Balance at 31 March 2019	3,345	43,036	4,323	1,011	51,715

The income tax reserve in the amount of CZK 10,423 thousand (31 March 2018 – CZK 0 thousand), the advance payments made in the amount of CZK 6,100 thousand (31 March 2018 – CZK 6,439 thousand), and the relevant payable are reported in the line 'Reserve for income tax' in the amount of CZK 4,323 thousand (31 March 2018 – CZK 0 thousand). The reserve for risks includes the costs of estimated losses and support subsequent to the sale/generation of income from the sale of services. As of the balance sheet date, a reserve was created for other risks arising from the possibility of returning a subsidy used for creating jobs.

10. Sales

In the reporting period, the sales of services were as follows:	Year ended 31 March							
	2019				2018			
	In-country	Europe + USA	India	Total	In-country	Europe + USA	India	Total
Advisory, HW and SW consulting	57,138	142,209	187,377	386,724	22,440	113,066	138,990	274,496
Total	57,138	142,209	187,377	386,724	22,440	113,066	138,990	274,496

11. Related Party Transactions

(a) Trade Receivables and Payables

	Receivables at 31 March		Payables at 31 March	
	2019	2018	2019	2018
Infosys Poland Sp.z.o.o	69	309	-1	--
Infosys BPM Ltd	1,484	1,625	-	17
Infosys Technologies Limited	19,683	10,639	-	30
Total	21,236	12,573	-1	47

(b) Sales of Goods and Services and Purchases thereof

Year ended 31 March 2019	Sales	Purchases
Infosys Poland Sp. z o.o.	2,979	870
Infosys BPM Ltd	5,315	2,727
Infosys Limited	177,427	-
Total	185,721	3,597

Year ended 31 March 2018	Sales	Purchases
Infosys Poland Sp. z o.o.	4,085	-
Infosys BPM Ltd	1,645	17
Infosys Limited	137,345	128
Total	143,075	145

(c)Benefits and Loans Provided to the Members of Statutory and Supervisory Bodies

In the years ended 31 March 2019 and 2018, the Company did not provide any benefits and loans to the members of its statutory bodies.

12. Services

The total costs of services amounted to CZK 61,695 thousand (31 March 2018 – CZK 43,360 thousand), which principally included the lease expenses in the amount of CZK 25,416 thousand (31 March 2018 – CZK 18,408 thousand).

13. Employees and Managers

The average re-calculated number of employees and managers, and the staff costs for the years ended 31 March 2019 and 2018 were as follows:

Year ended 31 March 2019	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	445	190,630	66,365	5,362
Managers	1	2,512	557	9
Total	446	193,142	66,922	5,371

Year ended 31 March 2018	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	382	136,514	45,160	3,229
Managers	1	2,543	591	10
Total	383	139,057	45,751	3,239

14. Estimated Receivables

Total estimated receivables amounted to CZK 17,579 thousand (31 March 2018 – CZK 3,410 thousand) and included estimated unbilled services in the amount of CZK 17,579 thousand (31 March 2018 – CZK 3,410 thousand) and accrual contracts income.

15. Estimated Payables

Total estimated payables amounted to CZK 10,509 thousand (31 March 2018 – CZK 9,170 thousand) and included estimated unbilled services.

16. Accrued Expenses

Total accrued expenses amount to CZK 14,394 thousand (31 March 2018 – CZK 15,507 thousand. Lease payments under operating leases are charged to expenses on a straight line basis in the profit and loss account over the lease term. An outstanding part of the lease is recorded as an accrued expenses.

17.Deferred Income

Total deferred income amounts to CZK 7,882 thousand (31 March 2018 – CZK 6,782 thousand) and represents deferred income from long-term projects with customers.

18. Other Financial Expenses and Income

Other financial expenses in the amount of CZK 4,201 thousand (31 March 2018 – CZK 30,026 thousand) and other financial income in the amount of CZK 14,026 thousand (31 March 2018 – CZK 1,974 thousand) principally included realised and unrealised foreign exchange rate gains and losses.

19. Due Amounts Arising from Social Security and Health Insurance

The amounts due arising from social security and health insurance amounted to CZK 6,013 thousand (31 March 2018 – CZK 4,531 thousand), of which the amount of CZK 4,428 thousand (31 March 2018 – CZK 3,339 thousand) included estimated social security payments and the amount of CZK 1,585 thousand (31 March 2018 – CZK 1,192 thousand) included estimated health insurance payments. None of these amounts were past their due dates.

20. Fees Paid to the Statutory Auditor

This information is presented in the notes to the consolidated financial statements prepared for the consolidation group in which the Company is included.

21. Income Taxation

(a) Tax Currently Payable

The income tax payable comprises the estimated tax amount for the taxation period ended 31 March 2019 in the amount of CZK 10,423 thousand (taxation period ended 31 March 2018 CZK 435 thousand), and an adjustment of the estimated income tax for the taxation period ended 31 March 2018 of CZK 995 thousand (taxation period ended 31 March 2017 CZK 281 thousand).

(b) Deferred Tax

	Assets		Liabilities	
	Balance at 31 March		31 March	
	2019	2018	2019	2018
Fixed assets	396	638	-	-
Receivables	-	-	-	-
Reserves	9,005	1,979	-	-
Other temporary differences	15	2,946	-	-
Deferred tax asset/(liability)	9,416	5,563	-	-

In line with the accounting policies presented in Note 2 (f) above, the Company recognised a deferred tax asset, as it assumes that the deferred asset will be recovered, with regard to the result for the year ended 31 March 2019.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of 31 March 2019, the applied tax rate amounted to 19% (2018 – 19%).

22. Off Balance Sheet Commitments

The Company has no contractual liabilities reported off the balance sheet.

The Company is not aware of any contingent liabilities.

The Company is not aware of any off-balance sheet payables or payables arising from guarantees not reported on the balance sheet.

23. Cash Flow Statement

For the purposes of the cash flow statement, cash and cash equivalents are defined as cash on hand, cash in transit, cash at bank, and other financial assets, the value of which can be reliably determined and which are easily convertible into cash. The balance of cash and cash equivalents as of the balance sheet date was as follows:

	Balance at 31 March	
	2019	2018
Total current financial assets	160,178	140,899
Cash and cash equivalents	160,178	140,899

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset

24. Significant Post Balance Sheet Events

As of the balance sheet date, the Company's management is not aware of any significant post balance sheet events that would have a material impact on the financial statements as of 31 March 2019.

Report on relations

The Executive Director of the Company has drawn up the following Report on Relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person in the sense of Section 82 of Act No. 90/2012 Coll., the Act on Business Corporations, for the period 1 April 2018 – 31 March 2019 (hereinafter referred to as the "Decisive Period"). Upon description of the relations, the obligation to keep trade secrets of the Company has been complied with.

1) Structure of the relations

According to the information available to the Executive Director of the Company acting with due managerial care, during the Decisive Period the Company was a member of the Infosys BPM group, in which the controlling person was Infosys BPM Limited (hereinafter referred to as the "Infosys BPM Group"). Infosys BPM Limited is a majority owned and controlled subsidiary of Infosys Limited. The information about the persons belonging to the Infosys BPM Group is stated as at 31 March 2019 and is based on the information available to the Executive Director of the Company acting with due managerial care. The structure of the relationships in the Infosys BPM Group is shown in the overview which forms Annex No. 1.

Controlling person:Infosys BPM Limited, Plot Nos. 26/3, 26/4 and 26/6, Electronics City,

Hosur Road, Bangalore, 560100 India

Controlled person:Infosys (Czech Republic) Limited s.r.o, Brno,

Holandská 872/9, Štýrice, 639 00 Brno, Czech Republic

ID No. 269 18 757,

Infosys BPM Limited is the founder and sole shareholder of the Company.

2) Role of the Company in the Infosys BPM Group

The Company is a majority owned and controlled subsidiary of Infosys BPM Limited. Like other companies within the Infosys BPM Group, the Company leverages the benefits of service delivery globalisation, process redesign and technology and thus drives efficiency and cost effectiveness into client business processes and thereby improves their competitive position by managing their business processes in addition to providing increased value. The Company is a leading provider of business process management services to organisations that outsource their business processes.

The Company provides services to these organisations (customers) mostly directly, partially also as a subcontractor of Infosys Poland Sp.z.o.o. or as a subcontractor of Infosys Limited or as a subcontractor of Infosys BPM Limited. In the latter cases, Infosys Poland Sp.z.o.o. or Infosys Limited or Infosys BPM Limited acts as the prime contractor to the customer and assumes all major risks in relation to the contract with the customer.

3) Manner and means of control of the Company

The Company is controlled in particular via decisions of its sole shareholder (i.e. Infosys BPM Limited) in the capacity of the general meeting of the Company. Infosys BPM Limited is a 100% shareholder of the Company.

4) Overview of actions made by the controlled person in the interest or at the initiative of the of the controlling person or persons controlled by the controlling person

In the Decisive Period, the Company made no actions in the interest or at the initiative of the controlling person or persons controlled by the controlling person which related to property exceeding 10 percent of the equity of the Company as stated in the most recent set of financial statements.

5) Overview of mutual contracts between controlled and controlling persons and between the controlled person and the persons controlled by the same controlling person

(a) Contracts between the controlled and the controlling person:

During the entire Decisive Period, the subcontracting agreements between the Company (as vendor, respectively supplier) and Infosys BPM Limited (as customer) and Infosys Limited (as customer) were in effect.

	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys BPM Limited	5,315	2,727
Infosys Limited	177, 427	-

b) Contracts between the controlled person and the persons controlled by the same controlling person:

During the entire Decisive Period, the subcontracting agreement between the Company (as vendor, respectively supplier) and Infosys Poland Sp.z.o.o (as customer) was in effect.

	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys Poland Sp.z.o.o.	2,979	870

6) Assessment of detriment and assessment of its settlement

On the basis of the contracts concluded between the Company and controlling person and between the Company and the persons controlled by the same controlling person and on the basis of actions made by the Company in the interest or at the initiative of the controlling person or persons controlled by the controlling person, no detriment arose to the Company.

7) Assessment of advantages, disadvantages and risks ensuing from the relations between the controlled person and the controlling person and between the controlled person and other persons controlled by the same controlling person

Participation in the Infosys BPM Group is advantageous for the Company as Infosys and Infosys BPM are global groups with strong brands and reputation among potential customers and employees which the Company utilises in negotiations with customers and potential customers and in attracting qualified and motivated employees.

There are no disadvantages related to the Company's membership in the Infosys BPM Group.

No risks ensue from the Company's membership in the Infosys BPM Group.

On 21 May 2019

Kapil Jain
Executive Director
Infosys (Czech Republic) Limited s.r.o

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