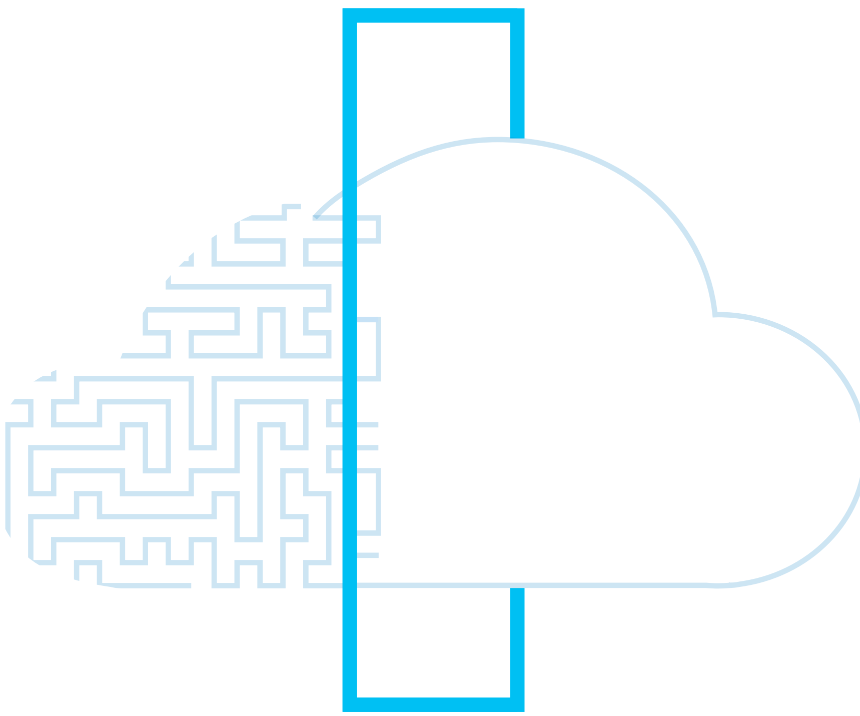


Infosys (Czech Republic) Limited s.r.o.

Introduction

The nature of the services (business process outsourcing) provided by Infosys (Czech Republic) Limited s.r.o. are 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.
- translation and interpretation activities

2. Activities of accounting advisors and accounts keeping

Description of activities:

Technical Contact Center

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 and expense
- General ledger

Insurance services

Processes:

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

Banking Services

Providing services to European clients of American banking institutions in the process of on-boarding new reporting software.

Digital Content Management

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

Sales Support

Support of Sales and Quoting activities in the European Union 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 of Accountancy

- about facts which occurred after the Balance Sheet date and are material for the fulfilment of the purpose of this Annual Report

No such facts occurred after the Balance Sheet date.

- about forecasted development in activities of the reporting unit

The turnover for 2020-21 amounted to TCZK 530,698 compared to TCZK 512,708 for 2019-20. The number of employees as at March 31, 2021 (including employees on maternity and parental leave) amounted to 758 (March 31, 2020 – 702 employees).

It is expected that in 2021-2022 there will be 810 employees (excluding employees on maternity and parental leave) and turnover of TCZK 579,188.

The Executive Director of the Company is not aware of any other matter or circumstance that has occurred since the end of the financial period that would have significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

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

The Company has acquired no own shares or ownership interests.

- activities in the area of environmental protection

The Company tries to achieve environmentally friendly and thrifty handling of raw materials, energy, water as well as other sources when providing services in order to improve the input efficiency.

- labor-law relations

The Company meets all duties stipulated by the Czech labor code.

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

Enclosures:

1. Balance Sheet as at March 31, 2021
2. Profit and Loss Account for the period from April 1, 2020 to March 31, 2021
3. Notes to the Financial Statements
4. Report on Relations 2020-21
5. Audit Report

Date : May 18, 2021

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: Vlněna 526/1, Trnitá, 602 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 March 31, 2021, 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 March 31, 2021, 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 May 18, 2021

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o.	Miroslav Zigáček
Rregistration no. 079	Registration no. 2222

Balance Sheet

In CZK thousand

	Particulars	As at March 31,			
		2021			2020
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	430,540	100,813	329,727	366,509
B.	Fixed assets	155,805	100,637	55,168	53,507
B.I.	Intangible fixed assets	3,092	1,374	1,718	2,336
B.I.2.	Valuable rights	3,092	1,374	1,718	2,336
B.I.2.1.	Software	3,092	1,374	1,718	2,336
B.II.	Tangible fixed assets	152,713	99,263	53,450	51,171
B.II.1.	Land and structures	55,102	26,813	28,289	21,398
B.II.1.2.	Structures	55,102	26,813	28,289	21,398
B.II.2.	Tangible movable assets and sets of tangible movable assets	97,611	72,450	25,161	28,372
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction				1,401
B.II.5.2.	Tangible fixed assets under construction				1,401
C.	Current assets	262,210	176	262,034	311,530
C.II.	Receivables	105,414	176	105,238	100,188
C.II.1.	Long-term receivables	16,970		16,970	16,180
C.II.1.4.	Deferred tax asset	4,531		4,531	3,123
C.II.1.5.	Receivables - other	12,439		12,439	13,057
C.II.1.5.2.	Long-term prepayments made	12,439		12,439	13,057
C.II.2.	Short-term receivables	88,444	176	88,268	84,008
C.II.2.1.	Trade receivables	73,623	176	73,447	65,756
C.II.2.4.	Receivables - other	14,821		14,821	18,252
C.II.2.4.3.	State - tax receivables	7,940		7,940	3,344
C.II.2.4.4.	Short-term prepayments made	50		50	7,683
C.II.2.4.5.	Estimated receivables	6,828		6,828	7,222
C.II.2.4.6.	Sundry receivables	3		3	3
C.IV.	Cash	156,796		156,796	211,342
C.IV.1.	Cash on hand				1,050
C.IV.2.	Cash at bank	156,796		156,796	210,292
D.	Other assets	12,525		12,525	1,472
D.1.	Deferred expenses	12,525		12,525	1,472

Liabilities

In CZK thousand

	Particulars	As at March 31,	
		2021	2020
	TOTAL LIABILITIES AND EQUITY	329,727	366,509
A.	Equity	254,819	252,472
A.I.	Share capital	18,750	18,750
A.I.1.	Share capital	18,750	18,750
A.III.	Funds from profit	1,875	1,875
A.III.1.	Other reserve funds	1,875	1,875
A.IV.	Retained earnings (+/-)	231,847	214,846
A.IV.1.	Accumulated profits or losses brought forward (+/-)	231,847	214,846
A.V.	Profit or loss for the current period (+/-)	2,347	17,001
B.+C.	Liabilities	62,339	105,907
B.	Reserves	8,198	18,797
B.II.	Income tax reserve		4,135
B.IV.	Other reserves	8,198	14,662
C.	Payables	54,141	87,110
C.II.	Short-term payables	54,141	87,110
C.II.4.	Trade payables	2,411	32,193
C.II.8.	Other payables	51,730	54,917
C.II.8.3.	Payables to employees	25,257	23,506
C.II.8.4.	Social security and health insurance payables	8,521	9,746
C.II.8.6.	Estimated payables	17,646	21,385
C.II.8.7.	Sundry payables	306	280
D.	Other liabilities	12,569	8,130
D.1.	Accrued expenses	12,433	1,801
D.2.	Deferred income	136	6,329

Profit and Loss Account

In CZK thousand

	Particulars	Year ended March 31,	
		2021	2020
I.	Sales of products and services	530,698	512,708
A.	Purchased consumables and services	81,250	74,578
A.2.	Consumed material and energy	5,988	5,953
A.3.	Services	75,262	68,625
D.	Staff costs	395,301	363,664
D.1.	Payroll costs	288,547	266,119
D.2.	Social security and health insurance costs and other charges	106,754	97,545
D.2.1.	Social security and health insurance costs	98,573	89,988
D.2.2.	Other charges	8,181	7,557
E.	Adjustments to values in operating activities	27,047	12,500
E.1.	Adjustments to values of intangible and tangible fixed assets	27,002	12,448
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	27,002	12,448
E.3.	Adjustments to values of receivables	45	52
III.	Other operating income	185	
III.3.	Sundry operating income	185	
F.	Other operating expenses	(1,033)	10,794
F.1.	Net book value of sold fixed assets	823	76
F.3.	Taxes and charges	40	59
F.4.	Reserves relating to operating activities and complex deferred expenses	(6,464)	(32,730)
F.5.	Sundry operating expenses	4,568	43,389
*	Operating profit or loss (+/-)	28,318	51,172
IV.	Income from non-current financial assets - equity investments		17,929
IV.2.	Other income from equity investments		17,929
G.	Costs of equity investments sold		54,219
VI.	Interest income and similar income	11	2
VI.2.	Other interest income and similar income	11	2
VII.	Other financial income	9,563	21,713
K.	Other financial expenses	31,969	7,279
*	Financial profit or loss (+/-)	(22,395)	(21,854)
**	Profit or loss before tax (+/-)	5,923	29,318
L.	Income tax	3,576	12,317
L.1.	Due income tax	4,985	6,024
L.2.	Deferred income tax (+/-)	(1,409)	6,293
**	Profit or loss net of tax (+/-)	2,347	17,001
***	Profit or loss for the current period (+/-)	2,347	17,001
*	Net turnover for the current period	540,457	552,352

Statement of Changes In Equity

Year ended March 31, 2021

In CZK thousand

Particulars	Share capital	Gains or losses from the revaluation of assets and liabilities (+/-)	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Other profit or loss from prior years	TOTAL EQUITY
Balance at December 31, 2019	18,750	(19,767)	1,875	205,816	9,030	215,704
Distribution of profit or loss	–	–	–	9,030	(9,030)	–
Gains or losses from the revaluation of assets and liabilities	–	19,767		–	–	19,767
Profit or loss for the current period	–	–	–	–	17,001	9,030
Balance at December 31, 2020	18,750	–	1,875	214,846	17,001	252,472
Distribution of profit or loss	–	–	–	17,001	(17,001)	–
Profit or loss for the current period					2,347	2,347
Balance at December 31, 2021	18,750	0	1,875	231,847	2,347	254,819

Cash Flow Statement

Year ended March 31, 2021

In CZK thousand

	Particulars	Year ended March 31,	
		2021	2020
P.	Opening balance of cash and cash equivalents	211,342	160,178
	Opening balance of cash and cash equivalents after transformation		
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	5,923	29,318
A.1.	Adjustments for non-cash transactions	21,395	16,134
A.1.1.	Depreciation of fixed assets	27,002	12,448
A.1.2.	Change in provisions and reserves	(6,419)	(32,678)
A.1.3.	Profit/(loss) on the sale of fixed assets	823	36,366
A.1.5.	Interest expense and interest income	(11)	(2)
A.*	Net operating cash flow before changes in working capital	27,318	45,452
A.2.	Change in working capital	(37,166)	35,425
A.2.1.	Change in operating receivables and other assets	(8,637)	10,747
A.2.2.	Change in operating payables and other liabilities	(28,529)	24,678
A.**	Net cash flow from operations before tax	(9,848)	80,877
A.5.	Income tax paid from ordinary operations	(15,212)	(6,212)
A.***	Net operating cash flows	(25,060)	74,665
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(29,486)	(41,430)
B.2.	Proceeds from fixed assets sold		17,929
B.***	Net investment cash flows	(29,486)	(23,501)
	Cash flow from financial activities		
C.***	Net financial cash flows	–	–
F.	Net increase or decrease in cash and cash equivalents	(54,546)	51,164
R.	Closing balance of cash and cash equivalents	156,796	211,342

Notes to the Financial Statements (unconsolidated)

Year ended March 31, 2021

(in CZK thousand)

1. 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 February 4, 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

April 1, 2020 – March 31, 2021

Company Owners

The Company's shareholder as of March 31, 2021:

Infosys BPM Limited 100 %

561229 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.

Vlněna 526/1, Trnitá

Postcode 602 00, Brno

Corporate ID

269 18 757

Statutory Body

The sole Executive Director of the Company as of March 31, 2021:

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 March 31, 2021:

Chairman of the Board of Directors:

Ritesh Gandhi
Member of the Board of Directors

Jan Skoták

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, 561229 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 March 31, 2021, the following changes were recorded:

No changes were recorded.

Organizational 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 Act No. 563/1991 Coll., on Accounting, as amended (hereinafter the "Accounting Act") and Regulation No. 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 financial statements were prepared under the assumption of the Company's ability to operate as a going concern.

Estimation of uncertainties concerning the COVID-19 global pandemic in the area of health:

The Company assessed possible impacts on the carrying amounts of receivables and uninvoiced revenues that may arise from the COVID-19 pandemic. In developing assumptions concerning potential future uncertainties in the global economic conditions due to this pandemic, the Company used both internal and external information sources and related information and economic forecasts as of the date of approval of these financial statements. The Company expects to recover

the carrying amount of these assets and will continue to thoroughly monitor all significant changes of future economic conditions.

(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
Office equipment	straight-line	60 months
PC equipment	straight-line	30 - 60 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, securities and equity investments are measured at acquisition cost. In the event of impairment of the financial assets, the Company recognizes a provision.

(c) Provisions and Reserves

Receivables

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

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 recognized. The Company recognizes 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 recognized 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. Payments in CZK from a bank account maintained in a foreign currency (EUR, USD) are translated using an internal exchange rate of Citi Bank a.s, Deutsche Bank. During the reporting period, solely realized 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. Unrealized foreign exchange rate gains and losses are recognized 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 realized or the liability settled.

A deferred tax asset is recognized only if it is likely that it will be realized 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 recognized 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 previous 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 recognized when the relating services are carried out and the unbilled income of the current reporting period is recognized as estimated items.

(j) Revenue Recognition

Revenues are recognized as of the date of realizing 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 recognizes 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 recognizes 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 recognized 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 recognized 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 Transactions

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 the 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 March 31, 2021, no changes were made in the accounting principles and policies.

4. Tangible Fixed Assets

In CZK thousand

Particulars	Buildings	Machinery and equipment, Account No. 042	Total
Cost			
Balance at April 1, 2020	32,770	92,660	125,431
Additions	22,332	8,554	30,886
Disposals	–	3,604	3,604
Exchange rate difference	–	–	–
Reclassification	–	–	–
Balance at March 31, 2021	55,102	97,611	152,713
Accumulated depreciation			
Balance at April 1, 2020	11,372	62,888	74,260
Depreciation	15,441	11,764	27,205
Accumulated depreciation on disposals	–	2,202	2,202
Reclassification	–	–	–
Balance at March 31, 2021	26,813	72,450	99,263
Net book value at April 1, 2020	21,398	29,773	51,171
Net book value at March 31, 2021	28,289	25,161	53,450

Major additions to fixed assets in the reporting period primarily included new office premises equipment and also the purchase of IT equipment and computers.

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

In CZK thousand

Particulars	Buildings	Machinery and equipment, Account No. 042	Fixed assets under construction	Total
Cost				
Balance at April 1, 2019	10,358	77,574	34,452	122,384
Additions	23,377	17,992	–	41,369
Disposals	965	2,905	34,452	38,322
Reclassification	–	–	–	–
Balance at March 31, 2020	32,770	92,660	–	125,431
Accumulated depreciation	–	–	–	–
Balance at April 1, 2019	10,013	56,272	–	66,285
Depreciation	2,324	9,521	–	11,845
Accumulated depreciation on disposals	965	2,905	–	3,870
Reclassification	–	–	–	–
Balance at March 31, 2020	11,372	62,888	–	74,260
Net book value at April 1, 2019	345	21,302	34,452	56,099
Net book value at March 31, 2020	21,398	29,773	–	51,171

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: Vlněna 526/1, Trnitá, Brno (new lease agreements were entered into with the validity from March 15, 2020 with the option of further extension). The validity of the lease agreement at Holandská 9, Brno, 639 00 was terminated as of March 15, 2020. The total lease expenses amounted to CZK 46,811 thousand and CZK 18,190 thousand in the years ended March 31, 2021 and 2020, respectively.

6. Trade Receivables and Payables

(a) Short-term trade receivables amounted to CZK 73,447 thousand (March 31, 2020 – CZK 65,887 thousand), of which CZK 24,226 thousand (March 31, 2020 – CZK 49,706 thousand) included past-due receivables. The provision against doubtful receivables amounted to CZK 176 thousand and CZK 131 thousand as of March 31, 2021 and 2020, respectively.

(b) Short-term trade payables amounted to CZK 2,411 thousand (March 31, 2020 – CZK 32,193 thousand), of which CZK 0 thousand (March 31, 2020 – CZK 14,055 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 (March 31, 2020 – CZK 7,683 thousand).

Long-term advance payments made include prepayments (deposit) for the lease of office premises in the amount of CZK 12,439 thousand (March 31, 2020 – CZK 13,057 thousand).

8. Statement of Changes in Equity

As of the date of signing the financial statements, no decision was made about the transfer of profit for 2020/2021. The Company's Management anticipates transferring the profit generated in the reporting period to retained earnings.

9. Reserves

In CZK thousand

	Reserve for outstanding vacation days	Reserve for risks	Reserve for income tax	Reserve for other risks	Total
Balance at April 1, 2020	4,289	8,081	4,135	2,292	18,797
Change in reserves	983	(7,877)	(988)	430	(7,452)
Other adjustments	–	–	*(3,147)	–	(3,147)
Balance at March 31, 2021	5,272	204	–	2,722	8,198

*The income tax reserve in the amount of CZK 3,147 thousand (March 31, 2020 – CZK 9,500 thousand), the advance payments made in the amount of CZK 9,239 thousand (March 31, 2020 – CZK 5,365 thousand), and the resulting receivable are reported in the line 'State – tax receivables' in the amount of CZK 6,092 thousand (March 31, 2020 'Income tax reserve' in the amount of CZK 4,135 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 in the amount of CZK 204 thousand (March 31, 2020 – CZK 8,081 thousand) and the reserve for other risks amounts to CZK 2,722 thousand (March 31, 2020 – CZK 2,292 thousand). The reserve for outstanding vacation days amounts to CZK 5,272 thousand (March 31, 2020 – CZK 4,289 thousand).

10. Sales

In the reporting period, the sales of services were as follows:

In CZK thousand

Particulars	Year ended March 31,							
	2021				2020			
	In-country	Europe + USA	India	Total	In-country	Europe + USA	India	Total
Advisory, HW and SW consulting	69,022	86,787	374,908	530,698	59,935	118,248	334,525	512,708
Total	69,022	86,787	374,908	530,698	59,935	118,248	334,525	512,708

11. Related Party Transactions

(a) Trade Receivables and Payables

In CZK thousand

Particulars	Receivables at March 31, 2021	Receivables at March 31, 2020	Payables at March 31, 2021	Payables at March 31, 2020
Infosys Poland Sp.z.o.o	–	–	–	5
Infosys BPM Ltd	438	402	–	–
Infosys Technologies Limited	36,280	34,472	–	–
Balance at March 31, 2021	36,718	34,874	–	5

Sales of Goods and Services and Purchases thereof

In CZK thousand

Year ended March 31, 2021	Sales for the year	Purchases for the year
Infosys Poland Sp. z o.o.	–	–
Infosys BPM Ltd	4,260	–
Infosys Limited	375,448	–
Total	379,708	–

(in CZK thousand)

Year ended March 31, 2020	Sales for the year	Purchases for the year
Infosys Poland Sp. z o.o.	170	31
Infosys BPM Ltd	18,763	–
Infosys Limited	315,604	–
Total	334,537	31

Benefits and Loans Provided to the Members of Statutory and Supervisory Bodies

In the years ended March 31, 2021 and 2020, 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 75,262 thousand (March 31, 2020 – CZK 68,625 thousand), which principally included the lease expenses in the amount of CZK 46,811 thousand (March 31, 2020 – CZK 18,190 thousand).

13. Other Operating Expenses

Other operating expenses primarily include insurance costs and the costs of a failed investment in fixed assets.

14. Employees and Managers

The average re-calculated number of employees and managers, and the staff costs for the years ended March 31, 2021 and 2020 were as follows:

In CZK thousand

Year ended March 31, 2021	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	715	285,632	97,861	8,169
Managers	1	2,915	712	12
Total	716	288,547	98,573	8,181

In CZK thousand

Year ended March 31, 2020	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	598	262,567	89,242	7,545
Managers	1	3,462	746	12
Total	599	266,119	89,988	7,557

15. Estimated Receivables

Total estimated receivables amounted to CZK 6,828 thousand (March 31, 2020 – CZK 7,222 thousand) and included estimated unbilled services of CZK 6,828 thousand (March 31, 2020 – CZK 7,222 thousand) and accrual contracts income.

16. Estimated Payables

Total estimated payables amounted to CZK 17,646 thousand (March 31, 2020 – CZK 21,385 thousand) and included estimated unbilled services as well as items included in remuneration of employees.

17. Accrued Expenses

Total accrued expenses amount to CZK 12,433 thousand (March 31, 2020 – CZK 1,801 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 expense.

18. Deferred Income

Total deferred income amounts to CZK 136 thousand (March 31, 2020 – CZK 6,329 thousand) and represents deferred income from long-term projects with customers.

19. Other Financial Expenses and Income

Other financial expenses in the amount of CZK 31,969 thousand (March 31, 2020 – CZK 7,279 thousand) and other financial income in the amount of CZK 9,563 thousand (March 31, 2020 – CZK 21,713 thousand) principally included realized and unrealized foreign exchange rate gains and losses.

20. Due Amounts Arising from Social Security and Health Insurance

The amounts due arising from social security and health insurance amounted to CZK 8,521 thousand (March 31, 2020 – CZK 9,446 thousand), of which the amount of CZK 6,265 thousand (March 31, 2020 – CZK 6,929 thousand) included estimated social security payments by the employer and the amount of CZK 2,256 thousand (March 31, 2020 – CZK 2,817 thousand) included estimated health insurance payments by the employer. None of these amounts were past their due dates.

21. 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.

22. Income Taxation

(a) Tax Currently Payable

The income tax payable comprises the estimated tax amount for the taxation period ended March 31, 2021 in the amount of CZK 3,147 thousand (taxation period ended March 31, 2020 – CZK 9,500 thousand), and an adjustment of the estimated income tax for the taxation period ended March 31, 2020 of CZK 1,838 thousand (taxation period ended March 31, 2019 – CZK 3,285 thousand).

(b) Deferred Tax

In CZK thousand

Particulars	Asset			Liabilities
	Balance at March 31, 2021	Balance at March 31, 2020	Balance at March 31, 2020	Balance at March 31, 2019
Fixed assets	2,940	312	–	–
Receivables	33	25	–	–
Reserves	1,558	2,785	–	–
Other temporary differences	–	–	–	–
Deferred tax asset/(liability)	4,531	3,123	–	–

In line with the accounting policies presented in Note 2 (f) above, the Company recognized a deferred tax asset, as it assumes that the deferred asset will be recovered, with regard to the result for the year ended March 31, 2021.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of March 31, 2021, the applied tax rate amounted to 19% (2020 – 19%).

23. 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.

24. 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:

In CZK thousand

Particulars	Balance at March 31,	
	2021	2020
Total current financial assets	156,796	211,342
Cash and cash equivalents	156,796	211,342

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

25. 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 March 31, 2021.

Prepared on: Signature of the statutory body or natural person who acts as the entity

May 18, 2021 KAPIL JAIN
Executive Director

Report on Relations

For the accounting period April 1, 2020 – March 31, 2021

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 April 1, 2020 – March 31, 2021 (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 March 31, 2021 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, 561229 India
Controlled person:	Infosys (Czech Republic) Limited s.r.o, Vlněna 526/1, Trnitá, 602 00 Brno, Czech Republic Corporate ID 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 globalization, 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 organizations that outsource their business processes.

The Company provides services to these organizations (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 the sole 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.

Particulars	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys BPM Limited	4,260	–
Infosys Limited	375,448	–

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.

(in CZK thousand)

Particulars	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys Poland Sp.z.o.o.	–	–

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

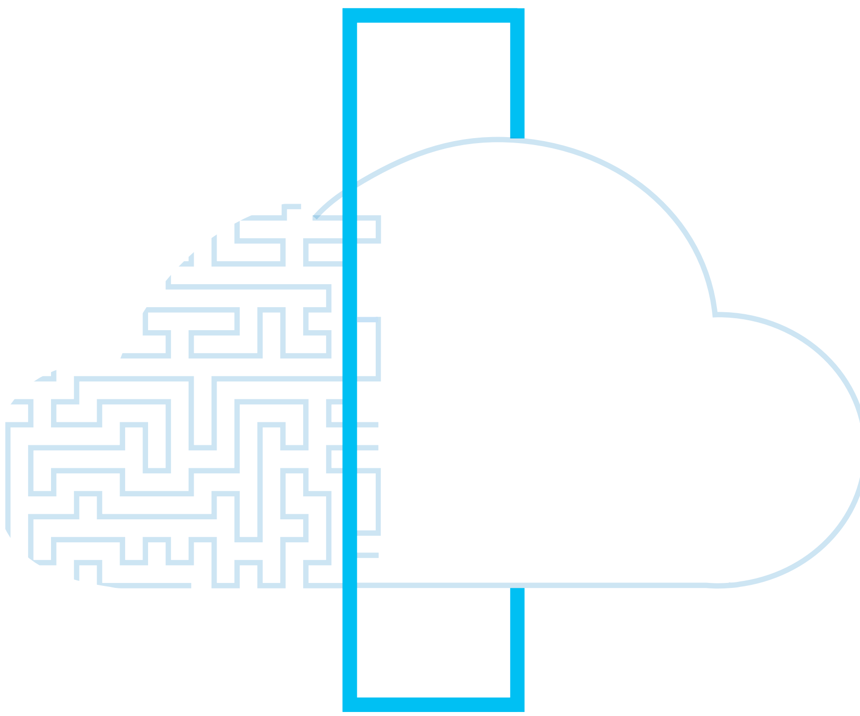
Participation in the Infosys BPM Group is advantageous for the Company as Infosys and Infosys BPM are global groups with strong brands and reputation among potential customers and employees which the Company utilizes in negotiations with customers and potential customers and in attracting qualified and 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 May 18, 2021

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



Infosys McCamish Systems, LLC

Independent Auditor's Report

To the Board Of Directors Of Infosys Mccamish Systems, LLC.

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of INFOSYS MCCAMISH SYSTEMS LLC ("the Company"), which comprise the Balance Sheet as at December 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at December 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors are 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 SAs 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 special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 financial 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Basis of Accounting

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. As a result, the special purpose financial statements may not be suitable for another purpose.

Restriction on Use and distribution

Our report is intended solely for the use of Company's Management for the above purpose and should not be distributed to or used by any other parties.

For Deloitte Haskins and Sells LLP
Chartered Accountants
(Firm Registration number. No. 117366W/W-100018)

Gurvinder Singh
Partner
Membership Number: 110128
UDIN:21110128AAAABQ6930

Date: May 1, 2021
Place: Bengaluru

Balance Sheet

in US$

Particulars	Note no.	As at December 31, 2020	As at December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	4,686,639	5,696,605
Right-of-use assets	2.2	11,170,611	–
Goodwill		696,400	696,400
Other intangible assets	2.3	1,968,219	185,133
Financial assets			
Loans	2.4	–	–
Other financial assets	2.5	64,094,052	22,738,717
Deferred tax assets (net)	2.15	2,496,394	1,716,045
Other non-current assets	2.8	3,816,252	11,971,125
Total non-current assets		88,928,567	43,004,025
Current assets			
Financial assets			
Trade receivables	2.6	33,808,453	40,706,238
Cash and cash equivalents	2.7	69,577,920	44,019,452
Loans	2.4	8,219	9,509
Other financial assets	2.5	70,052,687	30,904,694
Other current assets	2.8	35,003,752	21,841,938
Total current assets		208,451,031	137,481,831
Total assets		297,379,598	180,485,856
EQUITY AND LIABILITIES			
Equity			
Equity capital	2.10	36,070,038	36,070,038
Other equity		36,962,393	16,574,652
Total equity		73,032,431	52,644,690
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liability	2.2	12,532,185	–
Other financial liabilities	2.11	57,835,601	26,562,969
Other non-current liabilities	2.13	677,231	2,089,830
Total non-current liabilities		71,045,017	28,652,799
Current liabilities			
Financial liabilities			
Trade payables	2.12	15,933,246	22,251,795
Lease liability	2.2	1,277,641	–
Other financial liabilities	2.11	100,672,763	43,072,901
Other current liabilities	2.13	32,786,417	30,453,695
Provisions	2.14	821,233	705,620
Income tax liabilities (net)		1,810,850	2,704,356
Total current liabilities		153,302,150	99,188,367
Total equity and liabilities		297,379,598	180,485,856

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/ W-100018

Gurvinder Singh
Partner
Membership Number : 110128

Bengaluru
May 1, 2021

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V
Director

Statement of Profit and Loss

in US$

Particulars	Note no.	Year ended December 31,	
		2020	2019
Revenue from operations	2.16	297,061,836	223,943,567
Other income, net	2.17	96,422	395,735
Total income		297,158,258	224,339,302
Expenses			
Employee benefit expenses	2.18	40,466,274	37,266,146
Cost of technical sub-contractors and professional charges	2.18	34,268,841	54,353,610
Travel expenses		229,376	539,678
Cost of software packages		180,669,969	97,035,777
Rent	2.2	–	1,259,864
Depreciation and amortization expense	2.1, 2.2, 2.3	3,294,850	2,299,763
Finance cost	2.2, 2.20	351,114	4,897
Other expenses	2.18	11,487,486	6,884,034
Total expenses		270,767,910	199,643,769
Profit before tax		26,390,348	24,695,533
Tax expense :			
Current tax	2.15	6,427,984	5,812,696
Deferred tax	2.15	(780,349)	(708,991)
Profit for the year		20,742,713	19,591,828
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income / (loss), net of tax		–	–
Total comprehensive income for the year		20,742,713	19,591,828

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/ W-100018

for and on behalf of Infosys McCamish Systems, LLC

Gurvinder Singh
Partner
Membership Number : 110128

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Bengaluru
May 1, 2021

Thothathri V
Director

Statement of Changes in Equity

in US$

Particulars	Equity share capital	Other equity		Total equity
		Retained earnings	Other comprehensive income	
Balance as at January 1, 2019	36,070,038	(3,017,176)	–	33,052,862
Changes in equity for the year ended December 31, 2019				
Total comprehensive income for the year	–	19,591,828	–	19,591,828
Balance as at December 31, 2019	36,070,038	16,574,652	–	52,644,690
Balance as at January 1, 2020	36,070,038	16,574,652	–	52,644,690
Changes in equity for the year ended December 31, 2020				
Impact on account of adoption of Ind AS 116 (Refer to Note 2.2)	–	(354,972)		(354,972)
Total comprehensive income for the year	–	20,742,713	–	20,742,713
Balance as at December 31, 2020	36,070,038	36,962,393	–	73,032,431

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/ W-100018

Gurvinder Singh
Partner
Membership Number : 110128

Bengaluru
May 1, 2021

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V
Director

Statement of Cash Flows

in US$

Particulars	Note no.	Year ended December 31, 2020	Year ended December 31, 2019
Cash flow from operating activities :			
Profit for the period		20,742,713	19,591,828
Adjustments to reconcile net profit to net cash provided by operating activities :			
Income tax expense	2.15	5,647,635	5,103,705
Depreciation and amortization	2.1, 2.2, 2.3	3,294,850	2,299,763
Loss on sale of plant and equipment		10,387	–
Foreign exchange (gains) / losses	2.17	47,489	5,597
Allowance for credit losses, doubtful loans and advances		3,119,699	806,315
Interest expense	2.20	351,114	4,897
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(75,056,856)	(31,742,813)
Loans and other financial assets and other assets		(2,129,832)	1,592,216
Trade payables		(6,318,549)	4,163,697
Other financial liabilities, other liabilities and provisions		80,914,365	33,718,378
Cash generated by operations		30,623,015	35,543,583
Income taxes paid		(7,321,491)	(3,775,433)
Net cash generated by operating activities		23,301,524	31,768,150
Cash flow from investing activities :			
Expenditure on property, plant and equipment including intangible assets net of sale proceeds, including changes in retention money and capital creditors		(2,923,496)	(5,546,357)
Payment under financing arrangement		(4,854,554)	–
Repayment under financing arrangement		261,820	–
Net cash used in investing activities		(7,516,230)	(5,546,357)
Cash flow from financing activities :			
Loan repaid		–	(5,721,130)
Receipt under financing arrangement		11,367,148	–
Repayment of lease liability		(1,593,974)	–
Net cash generated / (used) in financing activities		9,773,174	(5,721,130)
Net increase in cash and cash equivalents		25,558,468	20,500,663
Cash and cash equivalents at the beginning		44,019,452	23,518,789
Cash and cash equivalents at the end	2.7	69,577,920	44,019,452
Supplementary information :			
Restricted cash balance	2.7	5,787	5,000

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/ W-100018

Gurvinder Singh
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1. Overview

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 is also a software reseller for various industry-specific clients.

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, on December 4, 2009.

The financial statements are approved by the Company's Board of Directors on May 1, 2021.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys BPM Limited and Ultimate Holding Company Infosys Limited under the requirements of Section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) . The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The functional currency of the Company is United States Dollars ("US Dollars") and the financial statements are also presented in US Dollars. All amounts included in the financial statements are reported in US Dollars, unless otherwise stated.

Accounting policies have been applied consistently to all periods presented in these financial statements except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those 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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Critical accounting estimates

a. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Fixed-price business process management services revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price business process management services contract is recognized ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the business process management revenues services requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. The use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. Also, refer to Note 2.16.

b. Income taxes

The Company's tax jurisdiction is the United States of America. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also, refer to Note 2.15.

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income 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 income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Also, refer to Note 2.1.

d. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Also, refer to Note 2.2.

e. Allowance for credit losses on receivables and unbilled revenue

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

2.1 Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. 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 [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Office equipment [(1)]	5 years
Leasehold improvements	Over the lease term or 5 years whichever is lower

[(1)] Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated unit ("CGU") to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2020 are as follows :

in US$

Particulars	Leasehold improvement	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at January 1, 2020	3,829,483	351,371	8,598,206	1,541,251	14,320,311
Additions	11,291	173,309	606,438	–	791,038
Deletions	(49,426)	(16,943)	(789,932)	(459,969)	(1,316,270)
Gross carrying value as at December 31, 2020	3,791,348	507,737	8,414,712	1,081,282	13,795,079
Accumulated depreciation as at January 1, 2020	708,791	261,092	6,736,501	917,322	8,623,706
Depreciation	774,302	94,507	780,070	141,738	1,790,617
Accumulated depreciation on deletions	(49,426)	(16,943)	(789,932)	(449,582)	(1,305,883)
Accumulated depreciation as at December 31, 2020	1,433,667	338,656	6,726,639	609,478	9,108,440
Carrying value as at December 31, 2020	2,357,681	169,081	1,688,073	471,804	4,686,639
Carrying value as at January 1, 2020	3,120,692	90,279	1,861,705	623,929	5,696,605

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2019 were as follows :

in US$

Particulars	Leasehold improvement	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at January 1, 2019	394,481	340,732	6,798,992	869,933	8,404,138
Additions	3,435,002	10,639	1,841,787	671,318	5,958,746
Deletions	–	–	(42,573)	–	(42,573)
Gross carrying value as at December 31, 2019	3,829,483	351,371	8,598,206	1,541,251	14,320,311
Accumulated depreciation as at January 1, 2019	193,634	217,436	5,888,341	809,672	7,109,083
Depreciation	515,157	43,656	890,733	107,650	1,557,196
Accumulated depreciation on deletions	–	–	(42,573)	–	(42,573)
Accumulated depreciation as at December 31, 2019	708,791	261,092	6,736,501	917,322	8,623,706
Carrying value as at December 31, 2019	3,120,692	90,279	1,861,705	623,929	5,696,605
Carrying value as at January 1, 2019	200,847	123,296	910,651	60,261	1,295,055

The aggregate depreciation has been included under depreciation and amortization expense in the Statement of Profit and Loss.

2.2 Leases

Accounting policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined as cash generating unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a financing or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Transition

Effective January 1, 2020, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on January 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended December 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual financial statements for year ended December 31, 2019.

On transition, the adoption of the new standard resulted in recognition of ROU asset of US$ 12,457,930 and a lease liability of US$ 15,052,686. Further, upon transition, the Company reclassified deferred rent accounted under 'Other liabilities' and prepaid rent accounted under 'Other assets' to retained earnings. The cumulative effect of applying the standard of US$ 354,972 was adjusted in retained earnings, net of taxes. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

1. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
2. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of December 31, 2019 under Ind AS 17 disclosed under Note 2.2 of the 2019 Annual financial statements and the value of the lease liability as of January 1, 2020 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at January 1, 2020 is 2.4%

The changes in the carrying value of right of use assets for the year ended December 31, 2020 are as follows :

in US$

Particulars	ROU asset on buildings
Balance as of January 1, 2020	12,457,930
Additions	–
Deletions	–
Amortization	(1,287,319)
Balance as of December 31, 2020	11,170,611

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at December 31, 2020 is as follows :

in US$

Particulars	Amount
Non-current lease liabilities	12,532,185
Current lease liabilities	1,277,641
Total	13,809,826

The movement in lease liabilities during the year ended December 31, 2020 is as follows :

in US$

Particulars	Amount
Balance as of Janaury 1, 2020	15,052,686
Additions	–
Deletions	–
Finance cost accrued during the period	351,114
Payment of lease liabilities	(1,593,974)
Balance as of December 31, 2020	13,809,826

The details regarding the contractual maturities of lease liabilities as at December 31, 2020 on an undiscounted basis are as follows :

in US$

Particulars	Amount
Less than one year	1,597,608
One to five years	5,704,655
More than five years	8,354,034
Total	15,656,297

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

2.3 Other intangible assets

Accounting policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. 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. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Impairment

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of acquired intangible assets for the year ended December 31, 2020 are as follows :

in US$

Particulars	Software
Gross carrying value as of January 1, 2020	1,300,000
Additions during the year	2,000,000
Deletions during the year	–
Gross carrying value as of December 31, 2020	3,300,000
Accumulated amortization as of January 1, 2020	1,114,867
Amortization expense	216,914
Deletion during the year	–
Accumulated amortization as of December 31, 2020	1,331,781
Carrying value as of December 31, 2020	1,968,219
Carrying value as of January 1, 2020	185,133
Total estimated useful life (in years)	5

The changes in the carrying value of acquired intangible assets for the year ended December 31, 2019 were as follows :

in US$

Particulars	Software
Gross carrying value as of January 1, 2019	1,300,000
Additions during the year	–
Deletions during the year	–
Gross carrying value as of December 31, 2019	1,300,000
Accumulated amortization as of January 1, 2019	372,300
Amortization expense	742,567

Particulars	Software
Deletion during the year	–
Accumulated amortization as of December 31, 2019	1,114,867
Carrying value as of December 31, 2019	185,133
Carrying value as of January 1, 2019	927,700
Total estimated useful life (in years)	2

The amortization expense has been included under depreciation and amortization expense in the Statement of profit and loss.

2.4 Loans

in US$

Particulars	As at December 31,	
	2020	2019
Non-current		
Unsecured, considered doubtful		
Loans to employees	22,961	18,075
Less : Allowance for doubtful loans to employees	(22,961)	(18,075)
Total non-current loans	–	–
Current		
Unsecured, considered good		
Loans to employees	8,219	9,509
Total current loans	8,219	9,509
Total loans	8,219	9,509

2.5 Other financial assets

in US$

Particulars	As at December 31,	
	2020	2019
Non-current		
Security deposits [1]	127,260	127,260
Financial asset under financing arrangement [1]	3,621,823	–
Unbilled revenues [1] [3]	60,344,969	22,611,457
Total non-current other financial assets	64,094,052	22,738,717
Current		
Financial asset under financing arrangement [1]	970,911	–
Unbilled revenues [1] [3]	69,034,766	30,789,931
Others [1] [2]	47,010	114,763
Total current other financial assets	70,052,687	30,904,694
Total other financial assets	134,146,739	53,643,411

[1] Financial assets carried at amortized cost

[2] Includes dues from related parties (Refer to Note 2.20)

[3] Classified as financial asset as right to consideration is conditional upon passage of time.

2.6 Trade receivables

in US$

Particulars	As at December 31,	
	2020	2019
Current		
Unsecured		
Considered good [1]	33,808,453	40,706,238
Considered doubtful	2,862,500	458,616
	36,670,953	41,164,854
Less : Allowances for credit losses	(2,862,500)	(458,616)
Total trade receivables	33,808,453	40,706,238

[1] Includes dues from related parties (Refer to Note 2.20)

2.7 Cash and cash equivalents

in US$

Particulars	As at December 31,	
	2020	2019
Balances with banks		
In current and deposit accounts	69,577,920	44,019,452
	69,577,920	44,019,452

Cash and cash equivalents as at December 31, 2020 and December 31, 2019 include restricted bank balance of US$ 5,787 and US$ 5,000 respectively. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

2.8 Other assets

in US$

Particulars	As at December 31,	
	2020	2019
Non-current		
Prepaid expenses	3,816,252	11,971,125
Total non-current other assets	3,816,252	11,971,125
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	20,904	11,470
Others		
Prepaid expenses	30,961,100	20,837,602
Withholding taxes and others	215,795	905
Unbilled revenues [1]	3,804,329	990,337
Others [2]	1,624	1,624
Total current other assets	35,003,752	21,841,938
Total other assets	38,820,004	33,813,063

[1] Classified as non-financial asset as contractual right to consideration is dependent on completion of contractual milestones.

[2] Includes dues from related parties (Refer to Note 2.20)

2.9 Financial instruments

Accounting policy

2.9.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.9.2 Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.9.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.9.4 Fair value of financial instruments

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 reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.9.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

Financial instruments by category

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

in US$

Particulars	As at December 31,	
	2020	2019
Assets		
Cash and cash equivalents (Refer to Note 2.7)	69,577,920	44,019,452
Trade receivables (Refer to Note 2.6)	33,808,453	40,706,238
Loans (Refer to Note 2.4)	8,219	9,509
Other financial assets (Refer to Note 2.5)	134,146,739	53,643,411
Total	237,541,331	38,378,610
Liabilities		
Trade payables (Refer to Note 2.12)	15,933,246	22,251,795
Other financial liabilities (Refer to Note 2.11)	157,634,382	69,070,366
Total	173,567,628	91,322,161

All the above financial assets and financial liabilities are carried at amortized cost and the carrying values approximates their fair values.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to US$ 33,808,453 and US$ 40,706,238 as at December 31, 2020 and December 31, 2019. Trade receivables are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

The details in respect of percentage of revenues generated from top ten customers are as follows :

in %

Particulars	Year ended December 31,	
	2020	2019
Revenue from top customer	11	22
Revenue from top ten customers	55	68

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is US$ 2,862,500 and US$ 458,616 for the year ended December 31, 2020 and December 31, 2019, respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents. The Company has no outstanding borrowings as at December 31, 2020. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of December 31, 2020, the Company has a working capital of US$ 55,148,881 including cash and cash equivalents of US$ 69,577,920. As of December 31, 2019, the Company had a working capital of US$ 38,293,464 including cash and cash equivalents of US$ 44,019,452.

2.10 Equity

As at December 31, 2020, the Company had one member, Infosys BPM 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, 2020.

2.11 Other financial liabilities

in US$

Particulars	As at December 31,	
	2020	2019
Non-current		
Accrued expenses [1]	48,803,427	26,562,969
Financial liability under financing arrangement [1]	9,032,174	–
Total non-current other financial liabilities	57,835,601	26,562,969
Current		
Accrued compensation to employees [1]	1,848,548	2,505,805
Accrued expenses [1]	95,407,618	39,760,190
Compensated absences	873,982	565,504
Financial liability under financing arrangement [1]	2,334,974	–
Capital creditors [1]	–	132,458
Other payables [1] [2]	207,641	108,944
Total current other financial liabilities	100,672,763	43,072,901
Total other financial liabilities	158,508,364	69,635,870

[1] Financial liability carried at amortized cost

[2] Includes dues to related parties (Refer to Note 2.20)

2.12 Trade payables

in US$

Particulars	As at December 31,	
	2020	2019
Current		
Trade payables [1]	15,933,246	22,251,795
Total trade payables	15,933,246	22,251,795

[1] Includes dues to related parties (Refer to Note 2.20)

2.13 Other liabilities

in US$

Particulars	As at December 31,	
	2020	2019
Non-current		
Deferred rent [1] [2]	–	2,089,830
Withholding taxes payable	677,231	–
Total non-current other liabilities	677,231	2,089,830
Current		
Unearned revenue	31,403,488	29,932,512
Others		
Withholding taxes and others	1,382,929	241,180
Deferred rent [1] [2]	–	280,003
Total current other liabilities	32,786,417	30,453,695
Total other liabilities	33,463,648	32,543,525

[1] Includes unamortized leasehold improvement allowance of US$ 1,702,402 received in respect of Cumberland, Atlanta lease, of which US$ 258,593 is classified as current as on December 31, 2019.

[2] On adoption of Ind AS 116, the balance in deferred rent has been adjusted in retained earnings (Refer note 2.2).

2.14 Provisions

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, 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.

a. Post-sales client support

The Company provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe and time and material contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Statement of Profit or Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

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

The provision for post sales client support and others as at December 31, 2020 and December 31, 2019 is as follows:

In US$

Particulars	As at December 31,	
	2020	2019
Others		
Post-sales client support and others	821,233	705,620
Total Provisions	821,233	705,620

Provision for post-sales client support and others

The movement in the provision for post-sales client support and others is as follows :

In US$

Particulars	As at December 31,	
	2020	2019
Balance at the beginning	705,620	941,614
Provision recognised/ (reversed)	130,605	(229,642)
Provision utilised	(14,992)	(6,352)
Balance at the end	821,233	705,620

2.15 Income taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are 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 income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Income tax expense in the statement of profit and loss comprises :

in US$

Particulars	Year ended December 31,	
	2020	2019
Current taxes	6,427,984	5,812,696
Deferred taxes	(780,349)	(708,991)
Income tax expense	5,647,635	5,103,705

Entire deferred income tax for the year ended December 31, 2020 relates to origination and reversal of temporary differences.

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 summarized below :

in US$

Particulars	Year ended December 31,	
	2020	2019
Profit before incomes taxes	26,390,348	24,695,533
Statutory tax rate	21%	21%
Computed expected tax expense	5,541,973	5,186,062
State taxes	963,222	1,369,569
Withholding taxes	147,582	50,505
Disallowed items	6,313	11,661
Base erosion and anti-abuse tax (BEAT) liability [(1)]	–	(1,477,520)
Effect of true up of previous year taxes	(503,021)	67,574
Other adjustments	(508,434)	(104,146)
Income tax expense	5,647,635	5,103,705

(1) Internal Revenue Service ("IRS") issued final regulation on December 6, 2019 providing further clarification on 'base erosion and anti-abuse tax' ("BEAT") computation. Consequent to the issuance of the final regulation, there has been reversal of tax expenses pertaining to the prior period in year ended December 31, 2019

The applicable US federal tax rates for 2020 and 2019 is 21% and 21% respectively.

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	Year ended December 31,	
	2020	2019
Deferred tax assets :		
Accruals	505,525	598,908
Accrued compensation	301,131	233,840
Property, plant and equipment and intangible assets	1,030,683	553,016
Accrued vacation	218,496	141,376
Unearned revenue	1,897,618	2,245,082
Trade receivables	1,007,856	277,934
Others	(64,913)	65,889
	4,896,394	4,116,045
Deferred tax liability :		
Accruals including contingent consideration reversal	(2,400,000)	(2,400,000)
Total deferred tax liability	(2,400,000)	(2,400,000)
Deferred tax asset / (liability), net	2,496,394	1,716,045

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. The Management's assessment in the near term is subject to change if estimates of future taxable income during the carry forward period are reduced.

In assessing the realizability 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 realized. The 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, 2020.

2.16 Revenue from operations

Accounting policy

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®, NGIN 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.

Arrangements with customers are either on a fixed-timeframe or on a time-and-material basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the 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 the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material contracts are recognized as the related services are performed. Fixed-price business process management services revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Arrangements to deliver software products generally have three elements : license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct 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 Company uses the expected cost-plus margin approach in estimating the standalone selling price. 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.

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

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for year ended December 31, 2020 and December 31, 2019 by offerings. The Company believe 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, 2020	Year ended December 31, 2019
Revenue by offerings		
Core services	69,954,048	67,284,889
Sale of third-party software and services	227,107,788	156,658,678
Total	297,061,836	223,943,567

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not significant based on these estimates. Due to the nature of the pandemic, the Company continues to monitor developments to identify significant uncertainties relating to revenue in future periods.

Trade receivables and contract balances

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price business process management services are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed time frame contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled revenues for other fixed-timeframe contracts are classified as non-financial asset (contract asset) because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

2.17 Other income, net

Accounting policy

2.17.1 Other income

Other income is comprised primarily of interest income, exchange gain/loss on translation of other assets and liabilities.

2.17.2 Foreign currency

a. Functional currency

The functional currency of the Company is the United States Dollars. The financial statements are presented in United States Dollars.

b. Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other income for the year ended December 31, 2020 and December 31, 2019 is as follows :

in US$

Particulars	Year ended December 31,	
	2020	2019
Interest on deposits with banks	98,000	393,112
Exchange gains / (losses) on translation of other assets and liabilities	(47,489)	(5,597)
Miscellaneous income	45,911	8,220
	96,422	395,735

2.18 Expenses

in US$

Particulars	Year ended December 31,	
	2020	2019
Employee benefit expenses		
Salaries including bonus	40,394,368	37,157,691
Staff welfare	71,906	108,455
	40,466,274	37,266,146
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	33,219,498	53,189,334
Legal and professional	924,661	848,618
Recruitment and training	124,682	315,658
	34,268,841	54,353,610
Other expenses		
Consumables	97,249	67,058
Rates and taxes	140,094	192,731
Communication expenses	773,380	565,794
Office maintenance	496,477	1,184,946
Bank charges and commission	93,563	75,049
Impairment loss recognized / (reversed) under expected credit loss model	3,114,813	800,406
Provision for doubtful loans and advances	4,886	5,909
Provision for service level risk on revenue contracts, post-sales client support and others	(125,180)	125,835
Postage and couriers	3,692,069	2,867,155
Insurance	59,140	67,742
Auditor's remuneration		
Statutory audit fees	37,000	35,000
Reimbursement of expenses	2,775	5,447
Donations	3,050,000	775,000
Professional membership and seminar participation fees	9,745	43,224
Others	41,475	72,738
	11,487,486	6,884,034

2.19 Contingent liabilities and commitments (to the extent not provided for)

in US$

Particulars	Year ended December 31,	
	2020	2019
Contingent liabilities [1]	–	–
Commitments :		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	301,880	489,370

[1] 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.

2.20 Related party transactions

List of related parties :

Name of subsidiaries	Country	Holding as at December 31,	
		2020	2019
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited	India	Holding company	Holding company

Fellow subsidiaries	Country
Infosys BPO Americas LLC [1]	US
Infosys Public Services Inc	US
WDW Communications, Inc [3]	US
WongDoody, Inc [3]	US

[1] Wholly owned subsidiary of Infosys BPM

[3] Wholly-owned subsidiary of WongDoody Holding Company, Inc.

The details of amounts due to or due from related parties as at December 31, 2020 and December 31, 2019 are as follows :

in US$

Particulars	As at December 31,	
	2020	2019
Trade payables		
Infosys Limited	4,686,753	16,462,101
Infosys BPM Limited	419,343	293,016
	5,106,096	16,755,117
Trade receivables		
Infosys Limited	55,565	61,743
Infosys BPM Limited	1,371,008	1,516,756
	1,426,573	1,578,499
Other financial assets		
Infosys Limited	523	18,640
Infosys BPM Limited	18,786	23,360
Infosys BPO Americas LLC	25,211	25,211
	44,520	67,211
Other assets		
Infosys Limited	1,624	1,624
	1,624	1,624
Other financial liabilities		
Infosys Limited	181,172	102,250
Infosys BPM Limited	19,752	312
	200,924	102,562

The details of the related parties transactions entered into by the Company for year ended December 31, 2020 and December 31, 2019 are as follows :

in US$

Particulars	Year ended December 31,	
	2020	2019
Capital transactions :		
Repayment of loan to Infosys Public Services Inc.	–	5,716,233
	–	5,716,233
Revenue transactions :		
Purchase of services		
Infosys Limited	25,048,405	45,376,237
Infosys BPM Limited	4,191,215	4,023,670
WDW Communications, Inc.	–	89,351
Wongdoody Inc.	–	119,981
	29,239,620	49,609,239
Sale of services		
Infosys Limited	671,512	883,063
Infosys BPM Limited	16,447,099	13,059,159
	17,118,611	13,942,222
Finance cost		
Infosys Public Services Inc.	–	4,897
	–	4,897

List of key Management personnel

Name of the related party	Designation
Richard Magner	Chief Executive Officer and Director
Kapil Jain	Director
Thothathri V	Director

Transaction with key Management personnel

The compensation to key managerial personnel which comprise directors and executive officers is as follows :

in US$

Particulars	Year ended December 31,	
	2020	2019
Salaries and other employee benefits to whole-time directors and executive officers	603,476	561,807
Commission and other benefits to non-executive / independent directors	–	–
Total	603,476	561,807

2.21 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.

2.22 Segment reporting

Based on the 'Management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. The Company's operations are considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner	Kapil Jain	Thothathri V
Chief Executive Officer	*Director*	*Director*

Bengaluru

May 1, 2021

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Portland Group Pty Ltd

Independent Auditor's Report to the Board of Directors

Opinion

We have audited the financial report of Portland Group Pty Ltd "the Company" which comprises the statement of financial position as at March 31, 2021, the statement of profit and loss and 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's financial position as at March 31, 2021 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 (including Independence Standards) (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, 2021, 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

Place : Sydney

Date : May 25, 2021

Directors' report

For the year ended March 31, 2021

The Directors present their report together with the financial report of Portland Group Pty Ltd ("the Company"), for the financial year ended March 31, 2021 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 :

Andrew James Jarvis

Andrew Stewart Groth

Abhay Harigobind Das Chauhan

The 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 and resale of software.

There were no 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

The Board of Directors, in their meeting on April 16, 2021, declared a final dividend of $13,000,000 (not franked) for the financial year ended March 31, 2021 (2020 : Nil)

4. Operating and financial review

The profit after tax for the year ended March 31, 2021 amounted to $2,332,588 (2020 : profit after tax of $1,119,335). This was primarily a result of increase of revenue from $19,263,624 for the year ended March 31, 2020 to $23,099,753 for the year ended March 31, 2021.

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, except as mentioned in note 26 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 and forms part of the directors' report for the financial year ended March 31, 2021.

10. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

This report is made with a resolution of the directors :

Andrew Jarvis
Managing director and Chief Executive officer

Dated at Sydney this 25th day of May 2021

Statement of Financial Position

In Australian dollars

Particulars	Note no.	As at March 31,	
		2021	2020
Assets			
Current assets			
Cash and cash equivalents	12a	30,814,212	28,229,346
Trade and other receivables	10	6,481,904	9,508,458
Other current assets	12c	23,604	25,771
Prepayments	11	321,691	1,899,737
Total current assets		37,641,411	39,663,312
Non-current assets			
Deferred tax assets	16a	544,421	537,910
Property, plant and equipment	13	76,779	149,496
Right-of-use assets	19	704,720	705,342
Other receivables	10	2,334,838	–
Prepayments	11	778	251,940
Total non-current assets		3,661,536	1,644,688
Total assets		41,302,947	41,308,000
Liabilities			
Current liabilities			
Trade and other payables	14	337,856	1,578,202
Lease liabilities	19	144,986	430,792
Other current liabilities	15	7,310,158	8,478,289
Current tax liabilities		476,034	396,579
Provisions	17	76,033	74,930
Employee benefit obligations	18	2,566,654	3,023,373
Total current liabilities		10,911,721	13,982,165
Non-current liabilities			
Lease liabilities	19	624,134	411,694
Employee benefit obligations	18	565,382	602,220
Other non-current liabilities	15	2,479,301	1,922,100
Total non-current liabilities		3,668,817	2,936,014
Total liabilities		14,580,538	16,918,179
Net assets		26,722,409	24,389,821
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		23,333,360	21,000,772
Total equity		26,722,409	24,389,821
Non-controlling interests		–	–
Total equity		26,722,409	24,389,821
Total liabilities and equity		41,302,947	41,308,000

The accompanying notes form an integral part of the financial statements

Statement of Profit or Loss and other comprehensive income

In Australian dollars

Particulars	Note no.	For the year ended March 31,	
		2021	2020
Revenue	5	23,099,753	19,263,624
Cost of sales	6	(18,311,475)	(16,249,077)
Gross profit		4,788,278	3,014,547
Selling and distribution expenses		(12,187)	(27,278)
Administrative expenses		(1,389,676)	(1,584,246)
Operating profit		3,386,415	1,403,023
Finance income	7	9,995	282,473
Finance costs	19	(25,996)	(32,187)
Net finance income		(16,001)	250,286
Profit before tax		3,370,414	1,653,309
Income tax expense	16b & c	(1,037,826)	(533,974)
Profit after tax		2,332,588	1,119,335
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		2,332,588	1,119,335

The accompanying notes form an integral part of the financial statements

Statement of Changes in Equity

In Australian dollars

Particulars	Share capital	Retained earnings	Total equity
Balance as on April 1, 2019	3,389,049	19,960,335	23,349,384
Total other comprehensive income	–	–	–
Impact on account of adoption of AASB 116		(78,898)	(78,898)
Profit for the year	–	1,119,335	1,119,335
Total comprehensive income	–	21,000,772	24,389,821
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance as at March 31, 2020	3,389,049	21,000,772	24,389,821
Balance as on April 1, 2020	3,389,049	21,000,772	24,389,821
Profit for the year	–	2,332,588	2,332,588
Total comprehensive income	3,389,049	23,333,360	26,722,409
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance as at March 31, 2021	3,389,049	23,333,360	26,722,409

The accompanying notes form an integral part of the financial statements

Statement of Cash Flows

In Australian dollars

Particulars	Note no.	For the year ended March 31,	
		2021	2020
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		33,338,391	20,726,053
Cash paid to suppliers and employees		(29,314,089)	(14,099,053)
Cash generated from operations		4,024,302	6,627,000
Interest received		26,428	250,348
Net Income taxes and GST received / (paid)		(958,372)	(3,697,911)
Net cash from operating activities	12b	3,092,358	3,179,437
Cash flows from Investing activities			
Purchase of plant equipment	13	(15,101)	(105,760)
Net cash used in investing activities		(15,101)	(105,760)
Cash flows from financing activities :			
Payment of lease liability	19	(492,391)	(663,391)
Net cash used in financing activities		(492,391)	(663,391)
Net increase / (decrease) in cash and cash equivalents		2,584,866	2,410,286
Cash and cash equivalents at April 1		28,229,346	25,819,060
Cash and cash equivalents as at March 31	12a	30,814,212	28,229,346

The accompanying notes form an integral part of the financial statements

Notes to the financial statements

1. Reporting entity

Portland Group Pty Ltd ("the Company") is a Company domiciled in Australia. The Company's registered office and principal place of business is Suite 9.01, Level 9, 130 Pitt Street, Sydney NSW 2000, Australia. The parent of the Company is Infosys BPO Ltd. 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 May 25, 2021.

(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 judgments

In preparing these financial statements, the Management has made judgments, 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 March 31, 2021 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.
- AASB 16 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. Also, refer to Note 19.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

3. Significant accounting policies

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

(a) Revenue

The Company's main source of income is from provision of sourcing and category management service, project-based consultancy support and ongoing management services. The entity recognizes revenue using the output method i.e. right to invoicing based on the consultants being provided and costs being incurred as per 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.

Uncertainty :

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 to as unbilled revenues) 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.

Agency Revenue

Where the company acts as an agent on behalf of any group company, the revenue is recognized on net basis – Revenue less costs. (Refer Note 5). During the year, the company has adjusted the Revenue and Expenses line items (comparative amounts) to reflect the correct presentation, as an agent, on revenue recognition for relevant contracts consistent with the current year presentation.

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 judgments 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	2021
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years

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 Cash Generating Units (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) Other current assets

Other current assets include rental deposits made to lease vendors as per lease agreement and interest accrued but not due on fixed deposits made to bank. Once the interest amount is received, the asset account is decreased.

(j) Prepayments

Prepaid expenses are future expenses that are paid in advance and hence recognized initially as an asset. As the benefits of the expenses are recognized, the related asset account is decreased and expensed

(k) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. 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.

(l) Other current and non-current liabilities

Other current and non-current liabilities consist of accrued expenses and deferred revenue relating to contract revenue majorly. Other liabilities are classified as current if payment is due within 12 months.

(m) 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.

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.

(n) 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.

(o) 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.

(p) Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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

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

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined as CGU to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(q) 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.

(r) 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.

(s) Comparatives

Comparatives have been reclassified for consistency with the current period presentation.

4. New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended March 31, 2021. These standards become mandatory for the Company's 2022 financial statements. The Company has not yet assesed any material impact of these the new or amended Accounting Standards and Interpretations.

5. Revenue

in Australian dollars

Particulars	Year ended March 31,	
	2021	2020
Related party revenue	6,997,206	5,039,913
Third-party revenue (principal)	15,495,784	14,086,581
Third-party revenue (agent)	606,763	137,130
	23,099,753	19,263,624

At March 31, 2021 the Company has deferred revenue of $1,447,426 (2020 : $1,642,447), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of 5,489,046 (2020 : $6,241,154).

Disaggregate 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

in Australian dollars

	Year ended March 31,	
	2021	2020
Fixed price	17,192,005	11,379,494
Time and materials	5,907,748	7,884,130
Total	23,099,753	19,263,624

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

6. Cost of sales

in Australian dollars

Particulars	Year ended March 31,	
	2021	2020
Employee benefit expense	10,274,284	11,967,812
Cost of third-party software	6,785,236	1,064,958
External contractor expense and others	1,251,955	3,216,307
	18,311,475	16,249,077

7. Finance income

in Australian dollars

Particulars	Year ended March 31,	
	2021	2020
Interest income from deposits with banks	9,995	227,170
Other miscellaneous income	–	55,303
	9,995	282,473

8. Auditors' remuneration

in Australian dollars

Particulars	Year ended March 31,	
	2021	2020
Audit of financial statements – Deloitte Touche Tohmatsu	23,650	21,000
	23,650	21,000

9. Expenses by nature

in Australian dollars

Particulars	Year ended March 31,	
	2021	2020
Depreciation	87,818	90,352
Employee benefits	10,894,721	12,683,012
Rental expenses	8,731	1,339
Amortization on ROU assets	393,651	442,587
Interest expenses on leases liability	25,996	32,187

10. Trade and other receivables

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Current		
Trade receivables	3,075,570	2,822,434
Unbilled revenue	3,154,208	6,095,004
	6,229,778	8,917,438
Amounts due from related party (Trade receivables, other receivables and unbilled revenue. (Refer to Note 23)	252,126	591,020
	6,481,904	9,508,458
Non-current		
Unbilled revenue	2,334,838	–
	2,334,838	–

The average credit period is 30 days. No interest is charged on trade receivables. Based on the Management's best estimate, impairment in trade receivables amounting to AUD 136,068 and AUD 138,964 exist as on March 31, 2021 and March 31, 2020 respectively. Also, an exposure to credit risk from trade receivables and unbilled revenue amounting to AUD 74,736 and AUD 80,916 exist as on March 31, 2021 and March 31, 2020 respectively.

11. Prepayments

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Current		
Prepaid expenses	301,610	1,875,867
Loans and advances to employees	20,081	23,870
	321,691	1,899,737
Non-current		
Prepaid expenses	778	251,940
	778	251,940

12. Cash and cash equivalents

a. Cash and cash equivalents

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Cash at bank	30,814,212	28,229,346
	30,814,212	28,229,346

b. Cash flows from operating activities

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Reconciliation of cash flow from operations with profit after income tax	2,332,588	1,119,335
Adjustments for :		
Depreciation and amortization	481,469	532,939
Deferred tax assets	(6,511)	3,174,104
Net tax assets (liabilities)	79,455	(3,163,937)
Finance cost	25,996	32,187
	2,912,997	1,694,628
Changes in :		
Trade and other receivables	3,026,554	(1,972,365)
Other current and non current assets	(2,332,671)	4,883,443
Prepayments	1,829,208	(1,090,018)
Trade and other payables	(1,240,346)	219,515
Other current and non current liabilities	(610,930)	(1,429,305)
Provisions	1,103	(115,530)
Employee benefits obligation	(493,557)	989,069
Net cash from operating activities	3,092,358	3,179,437

c. Other current assets

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Electricity and other deposits	20,000	9,338
Advances to PF trust	1,515	–
Vat account	2,089	–
Interest accrued but not received	–	16,433
	23,604	25,771

13. Property, plant and equipment

in Australian dollars

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2019	75,811	317,834	549,108	942,753
Additions	736	–	105,024	105,760
Disposals	–	–	(85,357)	(85,357)
Balance at March 31, 2020	76,547	317,834	568,775	963,156
Balance at April 1, 2020	76,547	317,834	568,775	963,156
Additions	3,205	–	11,896	15,101
Disposals	(57,293)	(225,417)	(10,667)	(293,377)
Balance at March 31, 2021	22,459	92,417	570,004	684,880
Accumulated depreciation				
Balance at April 1, 2019	70,586	297,021	441,057	808,664
Depreciation	4,397	9,423	76,533	90,353
Disposals	–	–	(85,357)	(85,357)
Balance at March 31, 2020	74,983	306,444	432,233	813,660
Balance at April 1, 2020	74,983	306,444	432,233	813,660
Depreciation	1,473	8,835	77,510	87,818
Disposals	(57,293)	(225,417)	(10,667)	(293,377)
Balance at March 31, 2021	19,163	89,862	499,076	608,101
Carrying amounts				
At March 31, 2020	1,564	11,390	136,542	149,496
At March 31, 2021	3,296	2,555	70,928	76,779

14. Trade and other payables

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Trade payables	222,668	1,472,952
Amounts due to related party	115,188	105,250
	337,856	1,578,202

15. Other current liabilities

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Accrued expenses – cost of third-party software	5,361,979	5,814,259
Accrued expenses – others	463,052	950,245
Deferred revenue	1,447,426	1,642,447
Withholding taxes payable	37,701	71,338
	7,310,158	8,478,289
Non-current		
Accrued expenses – cost of third-party software	2,479,301	1,685,537
Accrued expenses – others	–	236,563
	2,479,301	1,922,100

16. Tax assets and liabilities

(a) Deferred tax assets

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Deferred tax assets due to timing differences :		
Provision for doubtful debts	63,493	66,424
Provision for Employee benefits	458,118	454,146
Provision for post-sale customer support	22,810	22,270
Deferred tax liabilities	–	(4,930)
Net deferred tax assets	544,421	537,910

(b) Reconciliation of effective tax rate

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Profit before tax	3,370,414	1,653,309
Tax using the Company's domestic tax rate of 30% (2020 : 30%)	1,011,124	495,993
Adjustments in respect of prior years	13,980	(3,224,862)
Other temporary timing difference and non-deductible expenses	12,722	3,262,843
Income tax expense for the period	1,037,826	533,974

(c) Income tax expense

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Corporation income tax		
Current year	1,030,357	584,733
Adjustments in respect of prior years	13,980	(3,224,862)
	1,044,337	(2,640,129)
Deferred tax expense		
Origination and reversal of temporary differences	(6,511)	(186,493)
Write down of previously recognized deferred tax assets	–	3,360,596
Income tax expense for the period	(6,511)	3,174,103
Total income tax expense	1,037,826	533,974

17. Provisions

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Provision for post service client support	76,033	74,930
	76,033	74,930

The movement in provisions is as follows :

Particulars	As at March 31,	
	2021	2020
Balance at the beginning	74,930	190,460
Provision recognized / (reversed)	1,103	(115,530)
Balance at the end	76,033	74,930

18. Employee benefit obligations

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Current		
Provision for employee bonuses	1,604,974	2,111,775
Annual leave	737,014	667,669
Long service leave	224,666	243,929
	2,566,654	3,023,373
Non-current		
Long service leave	565,382	602,220
	565,382	602,220

19. Leases

Leases as lessee

Following are the changes in the carrying value of right-of-use assets :

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Opening balance	705,342	1,147,929
Additions	393,029	–
Deletions	–	–
Amortization	(393,651)	(442,587)
Closing balance	704,720	705,342

The following is the movement in lease liabilities during the year :

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Opening balance	842,486	1,473,690
Additions	393,029	–
Deletions	–	–
Finance cost accrued during the year	25,996	32,187
Payment of lease liabilities	(492,391)	(663,391)
Closing balance	769,120	842,486

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

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Current lease liabilities	144,986	430,792
Non-current lease liabilities	624,134	411,694
Total	769,120	842,486

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis :

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Less than one year	164,676	448,258
One to five years	652,156	349,068
More than five years	7,272	94,539
Total	824,104	891,865

20. Key management personal compensation

The 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 the key Management personnel of the Company.

The employee compensation is as follows :

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Short-term employee benefits	573,702	479,472

21. Financial instruments

Financial instruments by Category

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Financial assets		
Cash and cash equivalents	30,814,212	28,229,346
Trade and other receivables	8,816,742	9,508,458
Other current assets	23,604	25,771
	39,654,558	37,763,575
Financial liabilities		
Trade and other payables	337,856	1,578,202
Other financial liabilities	8,342,033	8,757,942
	8,679,889	10,336,144

22. Contingent liabilities and financing facilities

a. Contingent liabilities

In the opinion of the Management, there are no contingent liabilities as at March 31, 2021 (2020 : Nil)

b. Financing facilities

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Unsecured bank guarantee facility reviewed annually and payable at call – Amount used	435,086	442,104
	435,086	442,104

23. Related party transactions

The details of the related party transactions entered into by the Company during the year ended March 31, 2021 and March 31, 2020 are as follows :

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Purchase of services		
Infosys BPM Limited	474,920	508,241
	474,920	508,241
Sale of services		
Infosys Limited	6,077,333	4,670,193
Infosys BPM Limited	902,522	223,570
Hipus Co., Ltd	17,351	146,150
	6,997,206	5,039,913

The details of the amount due to or due from the related parties as at March 31, 2021 and March 31, 2020 are as follows :

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Trade receivables		
Infosys Limited	130,262	419,775
Infosys BPM Limited	83,620	–
Hipus Co., Ltd	26,273	–
	240,155	419,775

Particulars	As at March 31,	
	2021	2020
Other receivables		
Infosys Limited	10,900	18,845
Infosys Management Consulting Pty Limited	1,071	1,072
Infosys BPM Limited	–	5,178
	11,971	25,095
Unbilled revenues		
Hipus Co., Ltd	–	146,150
	–	146,150
Trade payables		
Infosys BPM Limited	53,265	36,455
	53,265	36,455
Other payables		
Infosys Limited	61,923	68,795
	61,923	68,795

Other receivables and other payables consist of cross charges from the related parties mentioned above.

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

Ordinary shares

in Australian dollars

Particulars	As at March 31,	
	2021	2020
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

in Australian dollars

Particulars	As at March 31,	
	2021	2020
Dividend paid	–	–
	–	–

Dividend franking account

in Australian dollars

Particulars	As at March 31,	
	2021	2020
30 per cent franking credits available to shareholders of Portland Group Pty Ltd for subsequent financial years	8,980,463	8,015,588
	8,980,463	8,015,588

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

a. franking credits / debits that will arise from the payment / receipts of the current tax liabilities / assets;
b. franking debits that will arise from the payment of dividends recognized as a liability at the yearend;
c. franking credits that will arise from the receipt of dividends recognized as receivables by the tax consolidated company at the year-end; and
d. 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. Refer to Note 2 (e) 'Assumptions and estimation uncertainties' for the COVID-19 pandemic disclosure'.

The Board of Directors, in their meeting on April 16, 2021, declared a final dividend of $13,000,000 (not franked) for the financial year ended March 31, 2021.

The Directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' declaration

In the opinion of the directors of the Portland Group Pty Ltd ("the Company") :

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

(b) The financial statements and notes, 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, 2021 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

Dated at Sydney this 25th day of May 2021

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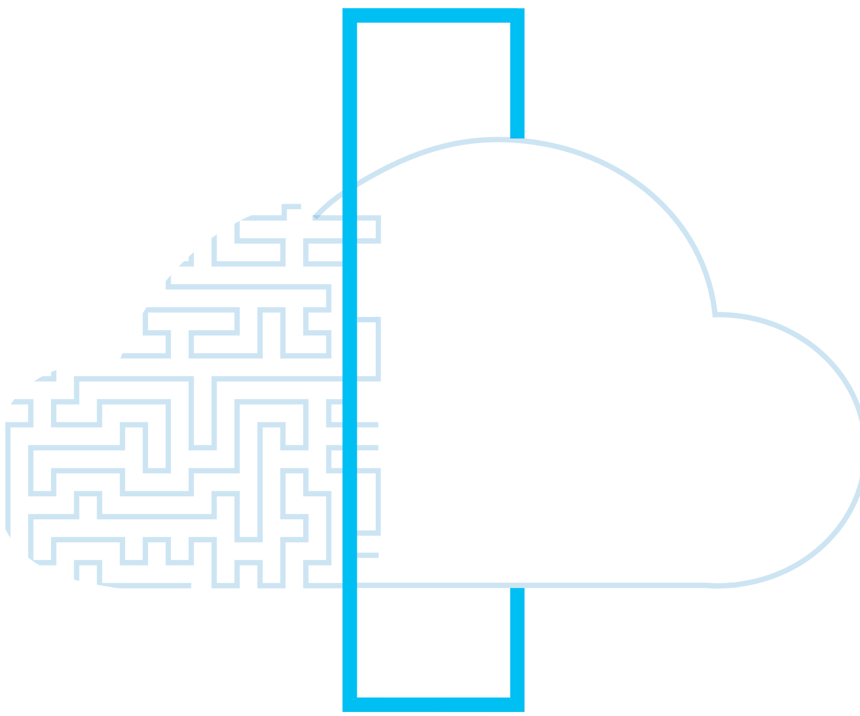

Infosys BPO Americas, LLC

Independent Auditors' Report

To,

The Board of Directors

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, 2021 and 2020, and the related statements of operations, changes in member's equity, and cash flows for the years ended March 31, 2021 and 2020 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 audit. We conducted our audit 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, 2021 and 2020, the results of its operations and its cash flows for the years ended March 31, 2021 and 2020 in accordance with accounting principles generally accepted in the United States of America.

Sudhir Pai, CPA PLLC
Certified Public Accountants

Plano, TX, United States

Date: May 10, 2021

Balance Sheet

in US$

Particulars	As at March 31,	
	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	408,205	981,734
Accounts receivables, net of doubtful balances	3,426,009	244,402
Unbilled revenue	2,702,430	763,424
Prepayments and other assets	92,491	92,951
Total current assets	6,629,135	2,082,511
Non-current assets		
Plant and equipment	26,567	18,080
Total non-current assets	26,567	18,080
Total assets	6,655,702	2,100,591
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	1,363,396	150,204
Provisions	52,607	4,643
Other liabilities	4,156,971	799,395
Total current liabilities	5,572,974	954,242
Total liabilities	5,572,974	954,242
Member's equity		
Member's equity	8,000,000	3,000,000
Accumulated deficit	(6,917,272)	(1,853,651)
Total member's equity	1,082,728	1,146,349
Total liabilities and member's equity	6,655,702	2,100,591

The accompanying notes form an integral part of the financial statements

Prem Pereira
Authorized Signatory

Date: May 10, 2021

Statements of Comprehensive Income

in US$

Particulars	Year ended March 31,	
	2021	2020
Revenue	18,352,791	3,059,634
Cost of revenue	23,232,426	3,082,499
Gross loss	(4,879,635)	(22,865)
Other expenses:		
Selling and marketing expenses	–	237
Administrative expenses	184,072	266,285
Total other expenses	184,072	266,522
Operating loss	(5,063,707)	(289,387)
Interest expense	–	4,329
Miscellaneous income	(86)	(21,373)
Loss before income taxes	(5,063,621)	(272,343)
Income tax expense	–	–
Net Loss	(5,063,621)	(272,343)
Other comprehensive income	–	–
Total comprehensive loss	(5,063,621)	(272,343)

The accompanying notes form an integral part of the financial statements

Prem Pereira
Authorized Signatory

Date: May 10, 2021

Statements of Changes in Member's Equity

in US$

Particulars	Member's Equity	Additional paid-in capital	Accumulated deficit	Total Member's equity
Balance as at April 1, 2019	1,000,000	2,000,000	(1,581,308)	1,418,692
Changes in members equity for the period ended March 31, 2020				
Net loss for the period	–	–	(272,343)	(272,343)
Balance as at March 31, 2020	1,000,000	2,000,000	(1,853,651)	1,146,349
Balance as at April 1, 2020	1,000,000	2,000,000	(1,853,651)	1,146,349
Changes in members equity for the period ended March 31, 2021				
Shares issued to member	–	5,000,000	–	5,000,000
Net loss for the period	–	–	(5,063,621)	(5,063,621)
Balance as at March 31, 2021	1,000,000	7,000,000	(6,917,272)	1,082,728

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

Prem Pereira
Authorized Signatory

Date: May 10, 2021

Statement of Cash Flows

in US$

Particulars	Year ended March 31,	
	2021	2020
Cash flows from operating activities		
Net Loss for the period	(5,063,621)	(272,343)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Provision for service level risk on revenue contracts	47,964	(851)
Allowance for doubtful accounts	65,216	8,103
Depreciation	7,285	4,669
Exchange difference	17	2
Interest expense	–	4,328
Cash operating loss	(4,943,139)	(256,092)
Changes in assets and liabilities		
Accounts receivable	(3,203,223)	(129,228)
Prepayments and other assets	460	(57,404)
Unbilled revenues	(1,982,623)	(628,392)
Trade payables	1,213,192	5,838
Other liabilities and provisions	3,357,576	311,715
Net cash used in operating activities	(5,557,757)	(753,563)
Cash flows from investing activities		
Expenditure on property, plant and equipment	(15,772)	(22,749)
Net cash used in investing activities	(15,772)	(22,749)
Cash flows from financing activities		
Capital Infusion	5,000,000	–
Repayment of loan to related parties	–	(517,924)
Net cash generated/(used) in financing activities	5,000,000	(517,924)
Net changes in cash and cash equivalents	(573,529)	(1,294,235)
Cash and cash equivalents at the beginning of the period	981,734	2,275,969
Cash and cash equivalents at the end of the period	408,205	981,734
Supplementary information:		
Interest paid during the period	–	17,925

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

Prem Pereira
Authorized Signatory

Date: May 10, 2021

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 US 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 US Generally Accepted Accounting Principles (US 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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information and related information and economic forecasts. The Company expects to recover the carrying amount of these assets and will continue to closely monitor any material changes to future economic conditions.

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 31, 2021, 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,	
	2021	2020
Current Account	408,205	981,734

4. Cost of Revenue

in US$

Particulars	For the year ended March 31,	
	2021	2020
Salaries	14,766,973	1,587,350
Subcontractor charges	7,261,265	1,078,110
Others	1,204,188	417,039
Total	23,232,426	3,082,499

5. Other Expenses

in US$

Particulars	For the Year ended March 31,	
	2021	2020
Legal & Professional charges	61,858	78,647
Others(Salaries,Insurance & Rates and taxes)	122,214	187,874
Total	184,072	266,522

6. Related party transactions

Name of the related party and their relationships:

Holding Company – Infosys BPM Limited (formerly known as IBPO Limited)

The details of the related party transactions entered into by the company during the year ended March 31, 2021 and March 31, 2020 as as follows:

Other receivables

in US$

Particulars	As at March 31,	
	2021	2020
Infosys BPM Limited	8,985	–
	8,985	–

Trade payables

in US$

Particulars	As at March 31,	
	2021	2020
Infosys BPM Limited	196,440	–
Infosys Limited	999,465	–
	1,195,905	–

Other payables

in US$

Particulars	As at March 31,	
	2021	2020
Infosys BPM Limited	18,844	–
Infosys McCamish	25,211	50,421
	44,055	50,421

The details of related party transactions as at March 31, 2021 and March 31, 2020 as as follows

Capital Transactions :

Loan repayment

in US$

Particulars	For the year ended March 31,	
	2021	2020
Infosys Public Services Limited	–	517,925
	–	517,925

Capital Infusion

in US$

Particulars	For the year ended March 31,	
	2021	2020
Infosys BPM Limited	5,000,000	–
	5,000,000	–

Revenue Transactions:

Purchase of services

in US$

	For the year ended March 31,	
	2021	2020
Infosys BPM Limited	354,279	–
Infosys Limited	2,957,099	–
	3,311,378	–

Purchase of shared services

in US$

	For the year ended March 31,	
	2021	2020
Infosys McCamish	335,494	271,231
	335,494	271,231

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

Date: May 10, 2021

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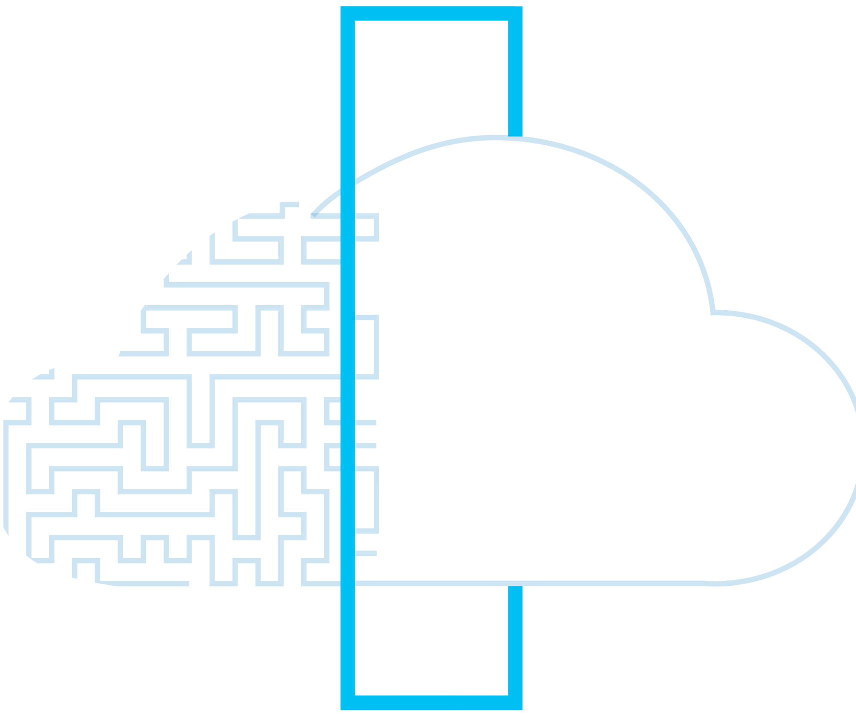

Infosys Poland Sp. z o.o.

Independent Auditor's Report

Report on the Special Purpose Financial Statements

To the Members of Infosys Poland Sp. z o.o

Opinion

We have audited the accompanying special purpose financial statements of Infosys Poland Sp. z o.o ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Section 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 1.2 of the special purpose financial statement.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the reparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 SAs 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 special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 financial 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 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

i) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For Shenoy & Kamath
Chartered Accountants

M. Rathnakar Kamath
Partner

Firm Registration Number. 006673S

Membership Number. 202841

UDIN : 21202841AAADTZ5129

Place: Bengaluru.

Date: June 01, 2021

Balance Sheet

in PLN

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	7,773,553	4,303,639
Right of use assets	2.2	105,008,309	116,447,505
Capital work-in-progress		8,211	–
Goodwill	2.3	22,046,332	22,046,332
Financial assets:			
Investments	2.4	23,095,312	79,610,771
Loans	2.5	26,110,965	26,445,269
Other financial assets	2.6	3,216,985	2,364,118
Deferred tax assets (net)	2.16	13,598,758	13,207,022
Income tax assets (net)	2.16	–	2,883,900
Total non - current assets		200,858,425	267,308,556
Current assets			
Financial assets:			
Trade receivables	2.7	108,751,185	57,561,836
Cash and cash equivalents	2.8	220,187,057	135,547,979
Loans	2.5	170,609	22,262,976
Other financial assets	2.6	9,491,080	24,936,541
Other current assets	2.9	10,168,919	8,446,450
Total current assets		348,768,850	248,755,782
Total Assets		549,627,275	516,064,338
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,500,000	2,500,000
Other equity		311,940,164	325,975,258
Total equity		314,440,164	328,475,258
Liabilities			
Non-current liabilities			
Financial liabilities:			
Lease liabilities	2.2	97,672,808	109,687,522
Total non - current liabilities		97,672,808	109,687,522
Current liabilities			
Financial liabilities:			
Trade payables	2.13	2,724,767	2,003,967
Lease liabilities	2.2	19,075,147	16,158,623
Other financial liabilities	2.12	70,525,680	46,131,950
Other current liabilities	2.14	33,524,614	11,707,794
Provisions	2.15	1,273,151	1,899,224
Income tax liabilities (net)	2.16	10,390,944	–
Total current liabilities		137,514,303	77,901,558
Total equity and liabilities		549,627,275	516,064,338

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

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

Place: Bengaluru
Date: June 01, 2021

for and on behalf of the Board of Directors of Infosys Poland Sp. z o.o

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Statement of Profit and Loss

in PLN, except equity share and per equity

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	2.17	355,793,574	282,969,542
Other income, net	2.18	(2,239,019)	(8,789,674)
Total income		353,554,555	274,179,868
Expenses			
Employee benefit expenses	2.19	248,710,064	211,049,929
Cost of technical sub-contractors and professional charges	2.19	14,023,851	7,423,302
Travel expenses		1,092,471	5,035,559
Rent		1,585,570	1,525,689
Cost of software packages and others		1,828,911	1,723,991
Finance cost	2.2	2,266,002	2,446,834
Depreciation and amortization expense	2.1&2.2	19,430,827	18,598,868
Other expenses	2.19	17,176,208	18,688,494
Total expenses		306,113,904	266,492,666
Profit before tax		47,440,651	7,687,202
Tax expense:			
Current tax	2.16	15,486,274	4,413,929
Deferred tax	2.16	764,642	1,494,712
		16,250,916	5,908,641
Profit for the period		31,189,735	1,778,561
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Equity instruments through other comprehensive income, net of tax		–	(840,189)
		–	(840,189)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net		–	–
Fair value changes on investments, net of tax		–	–
		–	–
Total other comprehensive income, net of tax		–	(840,189)
Total comprehensive income for the period		31,189,735	938,372
Earnings per equity share			
Equity shares of par value PLN 500/- each			
Basic and diluted (PLN)		6,237.95	355.71
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		5,000	5,000

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

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Poland Sp. z o.o

M. Rathnakar Kamath
Partner
Membership Number: 202841

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Place: Bengaluru
Date: June 01, 2021

Statement of Changes in Equity

in PLN

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the company
		Reserves & surplus			Capital reserve	Other comprehensive income	
		Securities premium [1]	Retained earnings	General reserve	Business transfer adjustment reserve[2]	Equity Instruments through other comprehensive income	
Balance as at April 1, 2019	2,500,000	24,999,800	291,750,507	–	–	1,311,289	320,561,596
Impact on account of adoption of Ind AS 116 (refer note 2.2)	–	–	6,975,290	–	–	–	6,975,290
Adjusted Balance as at April 1,2019	2,500,000	24,999,800	298,725,797	–	–	1,311,289	327,536,886
Changes in equity for the year ended March 31, 2020							
Profit for the period	–	–	1,778,561	–	–	–	1,778,561
Equity instruments through other comprehensive income, net of tax	–	–	–	–	–	(840,189)	(840,189)
Total Comprehensive income for the period	–	–	1,778,561	–	–	(840,189)	938,372
Balance as at March 31, 2020	2,500,000	24,999,800	300,504,358	–	–	471,100	328,475,258
Balance as at April 01, 2020	2,500,000	24,999,800	300,504,358	–	–	471,100	328,475,258
Changes in equity for the year ended March 31, 2021							
Reserves created on account of common control business acquisition	–	–	13,401,969	2,173,202	(60,800,000)	–	(45,224,829)
Profit for the period	–	–	31,189,735	–	–	–	31,189,735
Total Comprehensive income for the period	–	–	44,591,704	2,173,202	(60,800,000)	–	(14,035,094)
Balance as at March 31, 2021	2,500,000	24,999,800	345,096,062	2,173,202	(60,800,000)	471,100	314,440,164

(1) Securities premium- refer note 2.11

(2) Capital reserve created on account of acquisition of entity which is under common control. Cash consideration of PLN 61.8 Mn was paid on the Februrary 20, 2020 (acquisition date) and business transfer reserve is created on account of this transfer for PLN 60.8 Mn ,refer note 2.23

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

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

for and on behalf of the Board of Directors of Infosys Poland Sp. z o.o

M. Rathnakar Kamath
Partner
Membership Number: 202841

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Place: Bengaluru
Date: June 01, 2021

Statement of Cash Flows

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

in PLN

Particulars	Note No.	Year ended March 31,	
		2021	2020
Cash flow from operating activities:			
Profit for the period		31,189,735	1,778,561
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.16	16,250,916	5,908,641
Depreciation and amortization	2.1&2.2	19,430,827	18,598,868
Finance cost		2,266,002	2,446,834
Interest on bank deposits and others		(1,040,246)	(3,798,686)
Income on other financial assets			
Impairment loss recognized/(reversed) under expected credit loss model		(56,832)	120,381
Profit/Loss/fair value change on Investments		786,508	12,360,657
Profit on sale of property, plant and equipment		4,015	–
Exchange difference on translation of assets and liabilities		2,572,544	(991,957)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(49,440,370)	(18,573,073)
Other financial assets and other assets		26,532,121	2,413,256
Trade payables		720,799	(2,040,123)
Other financial liabilities, other liabilities and provisions		46,836,622	10,209,171
Cash generated from operations		96,052,641	28,432,530
Income taxes paid, net of refunds		(8,352,136)	(5,156,218)
Net cash generated by operating activities		87,700,505	23,276,312
Cash flow from investing activities:			
Expenditure on property, plant and equipment including intangible assets net of sale proceeds		(6,137,892)	(1,720,800)
Loans to/ (from) employees		240,688	(407,507)
Interest received on bank deposits and others		2,126,729	10,528,403
Investment in subsidiary		–	(61,800,000)
Loan repaid by fellow subsidiary		20,833,333	–
Payments to acquire financial assets			
Preference and other securities		(7,184,583)	(15,505,650)
Proceeds on sale of financial assets			
Preference and other securities		11,893,318	–
Government bonds		–	1,874,526
Net cash from/(used in) investing activities		21,771,593	(67,031,028)

Particulars	Note No.	Year ended March 31,	
		2021	2020
Cash flow from financing activities:			
Payment of lease liability		(19,083,360)	(17,424,348)
Net cash used in financing activities		(19,083,360)	(17,424,348)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(5,749,660)	(14,219,986)
Net increase/ (decrease) in cash and cash equivalents		90,388,738	(61,179,064)
Cash and cash equivalents at the beginning	2.8	135,547,979	210,947,029
Cash and cash equivalents at the end	2.8	220,187,057	135,547,979

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

As per our report of even date attached

for Shenoy & Kamath
Chartered Accountants
Firm Registration Number: 006673S

M. Rathnakar Kamath
Partner
Membership Number: 202841

for and on behalf of the Board of Directors of Infosys Poland Sp. z o.o

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Place: Bengaluru
Date: June 01, 2021

Notes to the Financial Statements

1. Overview

1.1 Company overview

Infosys Poland Sp. z.o.o ("the Company") is a leading provider of business process management services to organizations that outsource their business processes. The Company leverages the benefits of accounting, book keeping and auditing activities; tax consultancy, computer consultancy activities, computer facilities management activities, other information technology and computer service activities, data processing, hosting and related activities, other information service activities not elsewhere classified, business and other management consultancy activities, research and experimental development on social sciences and humanities and other professional, scientific and technical activities not elsewhere classified.

The Company is incorporated and domiciled in Poland and has its registered office at ul. Pomorska 106A, 91-402 it is Lodz, Poland. The Company is a majority owned and controlled subsidiary of Infosys BPM Limited.

The Company's financial statements are approved by the Company's Board of Directors on June 01, 2021.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys BPM Limited and Ultimate Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS)' under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been applied consistently to all periods presented in these financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as 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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.4 Critical accounting estimates

a. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price business process management services revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price business process management services contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the business process management services revenue requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. (Refer to Note 2.17).

b. Income taxes

The Company's major tax jurisdiction is Poland. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. (Refer to Note 2.16).

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income 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 income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to Note 2.1).

d. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or company – of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purpose.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based it's determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

e. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances (Refer to Note 2.2).

f. Allowance for credit losses on receivables and unbilled revenue

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

2.1 Property, plant and equipment

Accounting Policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. 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:

Plant and machinery[(1)]	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years
Leasehold improvements[(1)]	Over lease term or 5 years whichever is lower.

(1) Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date are classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Impairment

Property, plant and equipment and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated unit ("CGU") to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 were as follows:

in PLN

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2020	11,117,490	835	3,107,542	18,847,755	5,360,597	38,434,219
Additions	–	–	40,606	7,548,292	104,193	7,693,091
Deletions	–	–	–	(1,214,932)	–	(1,214,932)
Translation difference	126,404	8	35,021	(68,132)	59,306	152,607
Gross carrying value as at March 31, 2021	11,243,894	843	3,183,169	25,112,983	5,524,096	45,064,985
Accumulated depreciation as at April 1, 2020	10,799,950	293	2,698,479	15,502,518	5,129,340	34,130,580
Depreciation	136,613	167	228,752	2,189,788	104,447	2,659,767
Accumulated depreciation on deletions	–	–	–	(1,210,702)	–	(1,210,702)
Translation difference	122,791	3	46,181	1,462,825	79,987	1,711,787
Accumulated depreciation as at March 31, 2021	11,059,354	463	2,973,412	17,944,429	5,313,774	37,291,432
Carrying value as of March 31, 2021	184,540	380	209,757	7,168,554	210,322	7,773,553
Carrying value as at April 1, 2020	317,540	542	409,063	3,345,237	231,257	4,303,639

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 were as follows:

in PLN

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2019	11,001,810	826	3,068,569	19,864,774	5,336,609	39,272,588
Additions	–	–	6,757	1,763,552	–	1,770,309
Deletions	–	–	–	(2,999,146)	(32,441)	(3,031,587)
Translation difference	115,680	9	32,216	218,575	56,429	422,909
Gross carrying value as at March 31, 2020	11,117,490	835	3,107,542	18,847,755	5,360,597	38,434,219
Accumulated depreciation as at April 1, 2019	10,441,740	125	2,281,279	16,547,306	4,869,105	34,139,555
Depreciation	248,419	167	393,213	1,771,402	241,163	2,654,364
Accumulated depreciation on deletions	–	–	–	(2,999,146)	(32,442)	(3,031,588)
Translation difference	109,791	1	23,987	182,956	51,514	368,249
Accumulated depreciation as at March 31, 2020	10,799,950	293	2,698,479	15,502,518	5,129,340	34,130,580
Carrying value as at March 31, 2020	317,540	542	409,063	3,345,237	231,257	4,303,639
Carrying value as at April 1, 2019	560,070	701	787,290	3,317,468	467,504	5,133,033

The aggregate depreciation has been included under depreciation and amortization expense in the Statement of Profit and Loss.

2.2 Leases

Accounting Policy

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined as Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a financing or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” using the modified retrospective method. On transition, the adoption of the new standard resulted in recognition of ‘Right of Use’ asset of PLN 13,19,79,278 and a lease liability of PLN 13,34,48,359. The cumulative effect of applying the standard, amounting to PLN 69,75,290 was credited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

The changes in the carrying value of right of use assets for the year ended March 31, 2021 are as follows:

in PLN

Particulars	Category of ROU asset
	Buildings
Balance as of April 1, 2020	116,447,505
Additions/Adjustments*	6,323,374
Deletions/Adjustments	(991,511)
Depreciation	(16,771,059)
Balance as of March 31, 2021	105,008,309

* includes leases capitalized on account of merger of Infosys Consulting Sp. z.o.o.

The changes in the carrying value of right of use assets for the year ended March 31, 2020 are as follows:

in PLN

Particulars	Category of ROU asset
	Buildings
Balance as of April 1, 2019	131,979,278
Additions/Adjustments*	1,245,241
Deletions/Adjustments	(832,510)
Depreciation	(15,944,504)
Balance as of March 31, 2020	116,447,505

* Includes adjustments based on the change in Indexation rates and tenancy incentives.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The break-up of current and non-current lease liability as at March 31, 2021 and March 31, 2020 is as follows:

in PLN

Particulars	As at March 31,	
	2021	2020
Non-current lease liability	97,672,808	109,687,522
Current lease liability	19,075,147	16,158,623
Total	116,747,955	125,846,145

The movement in lease liability during the year ended March 31, 2021 is as follows:

in PLN

Particulars	Amount
Balance as of April 1, 2020	125,846,145
Additions/Adjustments	6,418,624
Deletions/Adjustments	(1,058,341)
Finance cost accrued during the period	2,266,002
Payment of lease liability	(19,083,360)
Translation difference	2,358,885
Balance as of March 31, 2021	16,747,955

Rental expense recorded for short-term leases was PLN 1,585,570 for the year ended March 31, 2021.

The movement in lease liability during the year ended March 31, 2020 is as follows:

in PLN

Particulars	Amount
Balance as of April 1, 2019	133,448,359
Additions/Adjustments	1,456,189
Deletions/Adjustments	(882,222)
Finance cost accrued during the period	2,446,834
Payment of lease liability	(17,424,348)
Translation difference	6,801,333
Balance as of March 31, 2020	125,846,145

Rental expense recorded for short-term leases was PLN 1,525,689 for the year ended March 31, 2020.

The details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

in PLN

Particulars	Amount
Less than one year	21,039,130
One to five years	74,541,676
More than five years	27,734,635
Total	123,315,441

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

2.3 Goodwill

Accounting Policy

Goodwill represents the cost of business acquisition in excess of the Company interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

A summary of changes in the carrying amount of goodwill is as follows:

in PLN

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying value at the beginning	22,046,332	22,046,332
Translation differences	–	–
Carrying value at the end	22,046,332	22,046,332

2.4 Investments

in PLN

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Preference securities	5,860,145	4,693,951
Other securities	17,235,167	13,116,820
Investment in Subsidiary	–	61,800,000
Total non-current investments	23,095,312	79,610,771
Total carrying value	23,095,312	79,610,771

in PLN

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unquoted Investments carried at cost		
Investments in equity instruments of subsidiaries		
Infosys Consulting Sp.z.o.o (10,000) equity shares of PLN 100 each, full paid	–	61,800,000
Unquoted investments-carried at fair value through profit or loss		
Tidal Scale Inc. - Preference &other securities	5,860,145	4,693,951
The House Fund II,L.P.- other securities	17,235,167	13,116,820
Total non-current investments	23,095,312	79,610,771
Aggregate amount of unquoted investments	23,095,312	79,610,771
Investment carried at fair value through Profit or Loss	23,095,312	17,810,771

Refer to note no. 2.10 for accounting policies on financial instruments.

Method of fair valuation:

in PLN

Class of investment	Method	Fair value as at March 31, 2021	Fair value as at March 31, 2020
Preference securities	Discounted cash flows method, Market multiple method	5,860,145	4,693,951
Other securities	Discounted cash flows method, Market multiple method	17,235,167	13,116,820

2.5 Loans

in PLN

Particulars	As at March 31,	
	2021	2020
Non-current		
Unsecured, considered doubtful		
Loans to employees	68,716	53,563
Less: Allowance for doubtful loans to employees	(39,797)	(39,796)
	28,919	13,767
Loans to fellow subsidiary (Refer to Note 2.21) [1]	26,082,046	26,431,502
Total Non-current Loans	26,110,965	26,445,269
Current		
Unsecured, considered good		
Loans to employees	170,609	443,448
Loans to fellow subsidiary (Refer to Note 2.21)[1]	–	21,819,528
Total current Loans	170,609	22,262,976
Total loans	26,281,574	48,708,245
[1] Includes dues from related parties (Refer to Note 2.21)	26,082,046	48,251,030

2.6 Other financial assets

in PLN

Particulars	As at March 31,	
	2021	2020
Non-current		
Rental deposits [1]	3,216,985	2,364,118
Total non-current other financial assets	3,216,985	2,364,118
Current		
Electricity and other deposits[1]	10,327	10,327
Unbilled revenues [1]#	9,006,471	10,821,005
Interest accrued but not due[1]	4,668	285,704
Foreign currency forward contracts[2]	342,300	1,436,400
Others[1][3]	127,314	12,383,105
Total current other financial assets	9,491,080	24,936,541
Total financial assets	12,708,065	27,300,659
[1] Financial assets carried at amortized cost	12,365,765	25,864,259
[2] Financial assets carried at fair value through Profit or Loss.	342,300	1,436,400
[3] Includes dues from related parties (Refer to Note 2.21)	130,628	31,302

Classified as financial asset as right to consideration is unconditional upon passage of time.

2.7 Trade receivables

in PLN

Particulars	As at March 31,	
	2021	2020
Current		
Unsecured		
Considered good[1][2]	108,751,185	57,561,836
Considered doubtful	1,553,637	1,545,763
	110,304,822	59,107,599
Less: Allowances on for credit losses	1,553,637	1,545,763
Total trade receivables	108,751,185	57,561,836
[1] Includes dues from related parties	7,091,272	4,172,573
[2] Includes dues from companies where directors are interested.		

2.8 Cash and cash equivalents

in PLN

Particulars	As at March 31,	
	2021	2020
Balances with banks		
In current and deposit accounts	220,185,322	135,547,054
Cash on hand	1,735	925
	220,187,057	135,547,979
Deposit with more than 12 months maturity	–	–

The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

2.9 Other assets

in PLN

Particulars	As at March 31,	
	2021	2020
Current		
Unsecured, considered good		
Payment to vendors for supply of goods	10,550	35,467
Others		
Withholding taxes and others[1]	3,641,486	3,678,688
Prepaid expenses	764,496	857,756
Unbilled revenues[2]	5,752,387	3,874,539
Total Current other assets	10,168,919	8,446,450
Total other assets	10,168,919	8,446,450

(1) Withholding taxes and others primarily consist of input tax credits.

(2) Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

2.10 Financial instruments

Accounting Policy

2.10.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

2.10.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

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 reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing with in one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.10.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses or (reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows:

in PLN

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	220,187,057	–	–	20,187,057	0,187,057
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	23,095,312	23,095,312	23,095,312
Trade receivables (Refer to Note 2.7)	108,751,185	–	–	108,751,185	108,751,185
Loans (Refer to Note 2.5)	26,281,574	–	–	26,281,574	26,281,574
Other financial assets (Refer to Note 2.6)(1)	12,365,765	–	324200	12,708,065	12,708,065
Total	367,585, 581	–	23437612	391023193	391023193
Liabilities:					
Trade payables (Refer to Note 2.13)	2,724,767	–	–	2,724,767	2,724,767
Lease Liabilities (Refer to Note 2.2)	116,747,955	–	–	116,747,955	116,747,955
Other financial liabilities (Refer to Note 2.12)	47,199,904	–	4,475,640	51,675,544	51,675,544z
Total	166,672,626	–	4,475,640	171,148,266	171,148,266

(1)Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones.

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

in PLN

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Assets:					
Cash and cash equivalents (Refer to Note 2.8)	135,547,979	–	–	135,547,979	135,547,979
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	17,810,771	17,810,771	17,810,771
Trade receivables (Refer to Note 2.7)	57,561,836	–	–	57,561,836	57,561,836
Loans (Refer to Note 2.5)	48,708,244	–	–	48,708,244	48,708,244
Other financial assets (Refer to Note 2.6)(1)	25,864,259	–	1,436,400	27,300,659	27,300,659
Total	267,682,318	–	19,247,171	286,929,489	286,929,489
Liabilities:					
Trade payables (Refer to Note 2.13)	2,003,967	–	–	2,003,967	2,003,967
Lease Liabilities (Refer to Note 2.2)	125,846,145	–	–	125,846,145	125,846,145
Other financial liabilities (Refer to Note 2.12)	32,366,794	–	930,000	33,296,794	33,296,794
Total	160,216,906	–	930,000	161,146,906	161,146,906

(1)Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones.

Fair value hierarchy

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2021:

in PLN

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in preference securities (Refer to Note 2.4)	5,860,145	–	–	5,860,145
Investments in other securities (Refer to Note 2.4)	17,235,167	–	–	17,235,167
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	342,300	–	342,300	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	4,475,640	–	4,475,640	–

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2020:

in PLN

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in preference securities (Refer to Note 2.4)	4,693,951	–	–	4,693,951
Investments in other securities (Refer to Note 2.4)	13,116,820	–	–	13,116,820
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	1,436,400	–	1,436,400	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	930,000	–	930,000	–

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts:

Particulars	As at March 31,			
	2021		2020	
	In million	In PLN	In million	In PLN
Forward contracts				
In Poland zloty	14	13,647,000	20	20,000,000
In US dollars	20	74,880,360	18	74,592,552
Total forwards		88,527,360		94,592,552

The foreign exchange forward contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity Company's based on the remaining period as at the Balance Sheet date:

in PLN

Particulars	As at March 31,	
	2021	2020
Not later than one month	88,527,360	
Later than one month and not later than three months	–	94,592,552
	88,527,360	94,592,552

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

in PLN

Particulars	As at March 31,			
	2021		2020	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/ liability	342,300	(4,475,640)	1,705,075	(1,198,675)
Amount set off	–	–	(268,675)	268,675
Net amount presented in balance sheet	342,300	(4,475,640)	1,436,400	(930,000)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to PLN 108,751,185 and PLN 57,561,836 as at March 31, 2021 and March 31, 2020 and unbilled revenue amounting to PLN 14,758,858 and PLN 14,695,544 as of March 31, 2021 and March 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

in %

Particulars	Year ended March 31,	
	2021	2020
Revenue from top customer	12%	17%
Revenue from top ten customers	66%	71%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 was PLN 1,553,637. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 was PLN 1,545,763.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2021, the Company had a working capital of PLN 211,254,546 including cash and cash equivalents of PLN 220,187,057. As of March 31, 2020, the Company had a working capital of PLN 170,854,224 including cash and cash equivalents of PLN 135,547,979.

As of March 31, 2021 and March 31, 2020, the outstanding compensated absences were PLN 18,850,136 and PLN 12,835,156, respectively, which have been substantially funded. Further, as of March 31, 2021 and March 31, 2020, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

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

in PLN

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,724,767	–	–	–	2,724,767
Other financial liabilities (Refer to Note 2.12)	47,199,904	–	–	–	47,199,904

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

in PLN

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,003,967	–	–	–	2,003,967
Other financial liabilities (Refer to Note 2.12)	32,366,794	–	–	–	32,366,794

2.11 Equity

Accounting Policy

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Description of Reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Other components of equity

Other components of equity consist of changes on fair valuation of investments.

Equity share capital

in PLN, except as otherwise stated

Particulars	As at March 31,	
	2021	2020
Authorized		
Equity shares, PLN 500/-(PLN 500/-) par value		
5,000 (5,000) equity shares	2,500,000	2,500,000
Issued, subscribed and paid-up		
Equity shares, PLN 500/- (PLN 500/-) par value	2,500,000	2,500,000
5,000 (5,000) equity shares fully paid up		
	2,500,000	2,500,000

The Company has only one class of shares referred to as equity shares having a par value of PLN 500/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

The details of shareholder holding more than 5% shares are as follows:

Name of the shareholder	As at March 31,			
	2021		2020	
	Number of shares	% held	Number of shares	% held
Infosys BPM Limited, the holding company	5,000	100.00	5,000	100.00

The reconciliation of the number of shares outstanding and the amount of share capital as at :

in PLN, except as otherwise stated

Particulars	As at March 31,			
	2021		2020	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	5,000	2,500,000	5,000	2,500,000
Add: Shares issued during the period	–	–	–	–
At the end of the period	5,000	2,500,000	5,000	2,500,000

There has been no buy-back of shares, issuance of bonus shares or shares issued for consideration other than cash during the last 5 years.

Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.12 Other financial liabilities

in PLN

Particulars	As at March 31,	
	2021	2020
Current		
Others		
Accrued compensation to employees(1)	36,572,817	26,216,314
Capital creditors(1)	13,107	110,363
Accrued expenses(1)*	10,247,556	5,675,192
Other payables (1)**	366,424	364,925
Compensated absences	18,850,136	12,835,156
Foreign currency forward contracts(2)	4,475,640	930,000
Total current other financial liabilities	70,525,680	46,131,950
Total other financial liabilities	70,525,680	46,131,950
(1)Financial liability carried at amortized cost	47,199,904	32,366,794
(2)Financial liability carried at fair value through Profit or loss	4,475,640	930,000
* Includes dues to related parties (refer note 2.21)	33,633	–
** Includes dues to related parties (refer note 2.21)	366,424	202,416

2.13 Trade payables

in PLN

Particulars	As at March 31,	
	2021	2020
Current		
Trade payables(1)	2,724,767	2,003,967
Total Trade payables	2,724,767	2,003,967
(1) Includes dues to related parties (Refer to Note 2.21)	170,519	35,035

2.14 Other liabilities

in PLN

Particulars	As at March 31,	
	2021	2020
Current		
Unearned revenue	21,334,180	4,931,188
Others		
Withholding taxes and other payables	12,190,435	6,776,606
Total current other liabilities	33,524,615	11,707,794
Total other liabilities	33,524,615	11,707,794

2.15 Provisions

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, 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.

a. Post sales client support and others

The Company provides its clients with a fixed-period post-sales support on its fixed-price, fixed-timeframe and time and material contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

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

Provision for post-sales customer support and other provisions are as follows:

in PLN

Particulars	As at March 31,	
	2021	2020
Current		
Others		
Post sales client support and Other provisions	1,273,151	1,899,224
Total provisions	1,273,151	1,899,224

Provision for Post sales client support and Other provisions

The movement in the provision for Post sales client support and Other provisions is as follows:

in PLN

Particulars	As at March 31,	
	2021	2020
Balance at the beginning	1,899,224	1,742,160
Provision recognized/(reversed)	(585,538)	1,898,252
Provision utilized	(49,016)	(1,730,065)
Exchange difference	8,481	(11,123)
Balance at the end	1,273,151	1,899,224

2.16 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are 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 income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Income tax expense in the statement of profit and loss comprises:

in PLN

Particulars	Year ended March 31,	
	2021	2020
Current taxes	15,486,274	4,413,929
Deferred taxes	764,642	1,494,712
Income tax expense	16,250,916	5,908,641

Deferred income tax for the year ended March 31, 2021 and March 31, 2020, substantially relates to origination and reversal of temporary differences.

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 summarized as follows:

in PLN

Particulars	Year ended March 31,	
	2021	2020
Profit before income taxes	47,440,651	7,687,202
Statutory tax rate	19.00%	19.00%
Computed expected tax expense	9,013,724	1,460,568
Tax effect due to non-taxable income for tax purposes	2,801,413	3,136,017
Tax provision (reversals), overseas and domestic	(47,935)	(134,451)
Effect of differential overseas tax rates	(8,041,378)	(4,473,485)
Effect of non-deductible expenses	7,778,659	4,038,881
Others	4,746,433	1,881,111
Income tax expense	16,250,916	5,908,641

The applicable Poland statutory tax rates for fiscal 2021 and fiscal 2020 is 19% and 19% respectively.

The movement in gross deferred income tax assets and labilities (before set off) for the year ended March 31, 2021 is as follows:

in PLN

Particulars	Year ended March 31,	
	2021	2020
Deferred tax assets:		
Accrued Compensation	2,801,413	4,989,036
Accrued vacation	3,581,526	2,438,680
Trade receivables	–	(1,500,712)
Others	8,022,265	6,524,612
	14,405,204	12,451,616
Deferred tax liability:		
Property, Plant and Equipment and intangible assets	(167,611)	127,383
Others	(638,835)	628,023
Total deferred tax liability	(806,446)	755,406
Deferred tax asset / (liability), net	13,598,758	13,207,022

The ultimate realization of deferred tax assets is dependent upon 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.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. 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, management believes that it is more likely than not the Company will realize the benefit of any deductible differences at March 31, 2021.

2.17 Revenue from Operations

Accounting Policy

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 reliable 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.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the 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 the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material contracts and unit of work-based contracts are recognized as the related services are performed. Fixed price business process management services revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

The Company presents revenues net of indirect taxes in its Statement of profit and loss.

Revenues for the year ended March 31, 2021 and March 31, 2020 are as follows:

in PLN

Particulars	Year ended March 31,	
	2021	2020
Income from business process management services	355,793,574	282,969,542
	355,793,574	282,969,542

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company continues to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2021 and March 31, 2020 by offerings. The Company believe 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 PLN

Particulars	Year ended March 31,	
	2021	2020
Revenue by offerings		
Digital	54,255,888	25,516,022
Core	301,537,686	257,453,520
Total	355,793,574	282,969,542

Trade receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Unbilled Revenue, and Unearned Revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price business process management services are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed time frame contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled revenues for other fixed timeframe contracts are classified as non-financial asset (contract asset) because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

2.18 Other income, net

Accounting policy

Other income is comprised primarily of interest income, exchange gain/loss on forward contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

Foreign currency

Functional currency

The functional currency of the Company is the Polish złoty. The financial statements are presented in Polish złoty.

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other income for the year ended March 31, 2021 and March 31, 2020 is as follows:

in PLN

Particulars	Year ended March 31,	
	2021	2020
Interest income on financial assets at carried at amortized cost:		
Deposit with banks and others	1,040,246	3,798,686
Profit on sale of Property, plant and equipment	(4,015)	–
Exchange gains/(losses) on foreign currency forward and options contracts	727,160	(1,457,600)
Exchange gains/(losses) on translation of other assets and liabilities	(3,299,704)	636,995
Fair Valuation loss on Investments	(786,508)	(12,360,657)
Other Miscellaneous income, net	83,802	592,900
	(2,239,019)	(8,789,674)

2.19 Expenses

in PLN

Particulars	Year ended March 31,	
	2021	2020
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	244,760,299	207,808,345
Staff welfare	3,949,765	3,241,584
	248,710,064	211,049,929
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	10,488,137	3,879,094
Legal and professional	2,134,237	1,661,271
Recruitment and training	1,401,477	1,882,937
	14,023,851	7,423,302
Other expenses		
Computer maintenance	609,450	794,820
Office maintenance	8,714,287	9,872,474
Consumables	1,070,741	250,457
Brand building and advertisement	188,352	193,074
Marketing expenses	–	15,420
Power and fuel	634,169	535,649
Insurance charges	189,471	208,582
Communication	2,226,887	1,450,774
Rates and taxes	3,408,918	3,549,637
Bank charges and commission	350,002	200,171
Postage and courier	126,118	200,802
Allowances for credit losses on financial assets	(56,832)	120,381
Professional membership and seminar participation fees	15,694	6,679
Provision for post-sale customer support and others	(428,400)	385,369
Other miscellaneous expenses	127,351	904,205
	17,176,208	18,688,494

2.20 Contingent liabilities and commitments (to the extent not provided for)

Accounting Policy

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

in PLN

Particulars	As at March 31,	
	2021	2020
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[1]	–	–
Commitments:		
Estimated amount of unexecuted capital contracts[2]	4,031,649	790,461
(net of advances and deposits)		
Other commitments[3]	17,221,423	25,174,986

[1] 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.

[2] Capital contracts primarily comprises of commitments for infrastructure, facilities and computer equipments.

[3] Other commitments relate to investment committed by the Company in the House Fund II,L.P. during the years.

2.21 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holding as at March 31,	
		2021	2020
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited	India	Holding company	Holding company
Subsidiary			
Infosys Consulting Sp. z.o.o. [1]	Poland	–	100%

Fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)	China
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)[2]	Brazil
Infosys (Czech Republic) Limited s.r.o.	Czech Republic
Infosys Consulting Ltda.[3]	Brazil
Infosys Luxembourg S.a.r.l	Luxembourg
Infosys Consulting AG[4]	Switzerland
Infosys Consulting GmbH[4]	Germany
Infosys Consulting S.R.L.[3]	Romania
Infy Consulting Company Ltd[4]	UK
Infosys Consulting (Belgium) NV[5]	Belgium

[1] On February 20, 2020, the Company acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG., effective October 21, 2020, merged into company, a wholly owned subsidiary of Infosys BPM Limited.

[2] Effective October 1, 2019, merged into Infosys Consulting Ltda, a wholly-owned subsidiary of Infosys Ltd.

[3] Wholly-owned subsidiary of Infosys Limited

[4] Wholly-owned subsidiary of Infosys Consulting Holding AG

[5] Majority-owned and controlled subsidiary of Infosys Consulting Holding AG

The details of amounts due to or due from related parties as at March 31, 2021, March 31, 2020 are as follows:

in PLN

Particulars	As at March 31,	
	2021	2020
Loans to subsidiaries		
Infosys Technologies (China) Co. Limited	3,218,343	3,261,948
Infosys Technologies (Shanghai) Company Limited	22,863,703	23,169,554
Infosys Consulting Ltda. (Brazil)	–	21,819,528
	26,082,046	48,251,030
Trade receivables		
Infosys Limited	5,301,424	1,481,201
Infosys BPM Limited	1,303,732	2,692,201
Infosys Consulting AG	54,714	–
Infosys Consulting GmbH	431,402	–
Infosys (Czech Republic) Limited s.r.o.	–	(829)
	7,091,272	4,172,573
Unbilled Revenue		
Infosys Luxembourg S.à.r.l	66,454	–
Infosys Consulting AG	–	1,258,677
Infosys Consulting Sp. z o.o	–	505,844
	66,454	1,764,521
Other Receivables		
Infosys Limited	28,366	8,123
Infosys BPM Limited	102,262	23,179
	130,628	31,302
Trade payables		
Infosys BPM Limited	88,522	35,015
Infy Consulting Company Limited	21,020	–
Infosys (Czech Republic) Limited s.r.o.	–	20
Infosys Consulting Romania	60,977	–
	170,519	35,035
Other Payables		
Infosys Limited	364,468	202,416
Infosys BPM Limited	1,956	–
	366,424	202,416
Provision for expenses		
Infosys Limited	33,633	–
	33,633	–

Details of related party transactions entered into by the Company

in PLN

Particulars	Year ended March 31,	
	2021	2020
Revenue transactions:		
Purchase of services		
Infosys BPM Limited	576,417	45,111
Infosys (Czech Republic) Limited s.r.o.	(77)	28,637
Infy Consulting Company Ltd	19,422	–
Infosys Consulting Romania	60,342	–
	656,104	73,748
Sale of services		
Infosys Limited	34,627,027	16,195,335
Infosys BPM Limited	12,691,247	7,659,101
Infosys (Czech Republic) Limited s.r.o.	–	5,153
Infosys Consulting AG	251,786	–
Infosys Consulting Sp. z o.o	(317,823)	505,844
Infy Consulting Company Ltd	1,222,041	–
Infosys Luxembourg S.à.r.l	66,454	–
Infosys Consulting GmbH	3,225,695	1,258,677

Particulars	Year ended March 31,	
	2021	2020
Lodestone Belgium	12,691,247	–
	64,457,674	25,624,110
Interest income		
Infosys Technologies (Shanghai) Company Limited	636,330	779,548
Infosys Technologies (China) Co. Limited	89,067	109,174
Infosys Brazil	–	(287,313)
Infosys Consulting Ltda. (Brazil)	123,058	1,007,875
	848,455	1,609,284

List of key management personnel

Name of the related party	Designation
Anup Kapoor	Member of the Management Board
Arindam Roy Chowdhury	Member of the Management Board

Transaction with key management personnel

The table below describes the compensation to key managerial personnel which comprise directors and executive officers:

in PLN

Particulars	Year ended March 31,	
	2021	2020
Salaries and other employee benefits to whole-time directors and executive officers[1]	363,401	394,407
Total	363,401	394,407

(1) Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.22 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.

2.23 Business Combinations

Accounting policy

Our business combinations are accounted for using Ind AS 103, Business Combinations. Business combinations between entities under common control is accounted for at carrying value. The identity of the reserves is preserved as they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

Infosys Consulting Poland Sp. z.o.o

On February 20, 2020, The Company, a wholly-owned subsidiary of Infosys BPM Limited acquired 100% voting rights in Infosys consulting Poland Sp. z.o.o, an wholly owned subsidiary of Infosys Consulting holding AG., for a cash consideration of PLN 61.8 Mn. As this transaction is a common control business combination, the difference, between the consideration and the amount of share capital of the acquired entity is transferred to "Business Transfer Reserve".

Infosys Consulting Sp. z.o.o was merged with the Company as per court order effective October 21, 2020.

2.24 Segment Reporting

Based on the 'management approach', as defined in Ind AS 108, Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on the analysis of the performance of the Company as a whole. The Company's operations are considered to constitute a single segment in the context of Ind AS 108, Segment Reporting.

for and on behalf of the Board of Directors of Infosys Poland Sp. z.o.o

Anup Kapoor *Director*	Arindam Roy Chowdhury *Director*

Place: Bengaluru

Date: June 01, 2021