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, 2022, 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 give 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, 2022, 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 is responsible for the preparation and presentation 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 Statements. 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

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 the 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: 23110128BGRDEA8882

Date: March 30, 2023

Place: Bengaluru

Balance Sheet

(In US$)

Particulars	Note No.	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	2.1	4,060,729	5,694,330
Right-of-use assets	2.2	58,441,685	22,825,900
Capital work-in-progress		–	16,955
Goodwill		696,400	696,400
Other intangible assets	2.3	1,168,219	1,568,219
Financial Assets			
Loans	2.4	29,356,274	18,553,142
Other financial assets	2.5	62,708,879	68,852,991
Deferred tax assets (net)	2.15	6,946,993	2,713,991
Other non-current assets	2.8	24,290,834	33,231,510
Total Non-Current Assets		187,670,013	154,153,438
Current assets			
Financial assets			
Trade receivables	2.6	99,562,193	59,332,821
Cash and cash equivalents	2.7	41,150,961	47,328,637
Loans	2.4	15,525,525	11,470
Other financial assets	2.5	128,678,538	114,727,995
Other current assets	2.8	96,784,096	66,462,681
Total Current Assets		381,701,313	287,863,604
Total Assets		569,371,326	442,017,042
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	36,070,038	36,070,038
Other equity		96,891,921	62,633,168
Total equity		132,961,959	98,703,206
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.2	53,988,294	22,260,177
Other financial liabilities	2.11	66,464,339	89,945,553
Total Non - Current Liabilities		120,452,633	112,205,730
Current liabilities			
Financial Liabilities			
Trade payables	2.12	23,152,503	32,505,713
Lease liabilities	2.2	18,977,970	5,116,217
Other financial liabilities	2.11	226,429,686	161,127,628
Other current liabilities	2.13	46,479,653	30,897,805
Provisions	2.14	154,916	373,659
Income tax liabilities (net)		762,006	1,087,084
Total Current Liabilities		315,956,734	231,108,106
Total Equity and Liabilities		569,371,326	442,017,042

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's Registration No.: 117366W/ W-100018

Gurvinder Singh
Partner
Membership No.: 110128

Bengaluru

March 30, 2023

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, 2022	Year ended December 31, 2021
Revenue from operations	2.16	458,723,130	371,851,155
Other income, net	2.17	2,880,436	792,689
Total Income		461,603,566	372,643,844
Expenses			
Employee benefit expenses	2.18	35,131,300	37,009,886
Cost of technical sub-contractors and professional charges	2.18	97,349,150	60,560,018
Travel expenses		91,416	35,586
Cost of software packages		258,700,865	217,259,099
Finance Cost	2.2	2,248,757	1,166,358
Depreciation and amortization expense	2.1,2.2,2.3	13,379,802	6,553,058
Other expenses	2.18	12,266,351	14,564,137
Total Expenses		419,167,641	337,148,142
Profit before tax		42,435,925	35,495,702
Tax expense:			
Current tax	2.15	12,410,175	10,042,523
Deferred tax	2.15	(4,233,003)	(217,596)
		8,177,172	9,824,927
Profit for the year		34,258,753	25,670,775
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		34,258,753	25,670,775

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's Registration No.: 117366W/ W-100018

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Chief Executive Officer

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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, 2021	36,070,038	36,962,393	–	73,032,431
Changes in equity for the year ended December 31, 2021				
Total comprehensive income for the year	–	25,670,775	–	25,670,775
Balance as at December 31, 2021	36,070,038	62,633,168	–	98,703,206
Balance as at January 1, 2022	36,070,038	62,633,168	–	98,703,206
Changes in equity for the year ended December 31, 2022				
Total comprehensive income for the year	–	34,258,753	–	34,258,753
Balance as at December 31, 2022	36,070,038	96,891,921	–	132,961,959

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's Registration No.: 117366W/ W-100018

Gurvinder Singh
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Membership No.: 110128

Bengaluru

March 30, 2023

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, 2022	2021
Cash flow from operating activities:			
Profit for the year		34,258,753	25,670,775
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	8,177,172	9,824,927
Depreciation and amortization	2.1, 2.2, 2.3	13,379,802	6,553,058
Allowance for credit losses on financial assets		351,676	2,530,050
Loss on sale of plant and equipment		–	5,302
Exchange difference on translation of assets and liabilities		556,296	88,348
Finance cost		2,248,757	1,166,358
Interest income on loans		(1,909,827)	(53,142)
Other adjustment		6,579,006	–
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(40,440,409)	(94,627,133)
Loans and other financial assets and other assets		(34,460,425)	(42,788,982)
Trade payables		(9,353,210)	16,572,467
Other financial liabilities, other liabilities, and provisions		69,941,898	86,233,817
Cash generated by operations		49,329,489	11,175,845
Income taxes paid		(12,735,253)	(10,766,291)
Net cash generated by operating activities		36,594,236	409,554
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		(828,572)	(3,086,669)
Loan to related parties		(24,500,000)	(18,500,000)
Payment under financing arrangements		–	(3,000,000)
Receipt of rental towards financing arrangements		4,577,956	1,981,587
Net cash used in investing activities		(20,750,616)	(22,605,082)
Cash flow from financing activities:			
Receipt under financing arrangements		–	6,890,061
Repayment of rentals towards financing arrangements		(15,211,290)	(3,158,582)
Repayment of lease liabilities		(6,810,006)	(3,785,234)
Net cash generated / (used) in financing activities		(22,021,296)	(53,755)
Net (decrease) / increase in cash and cash equivalents		(6,177,676)	(22,249,283)
Cash and cash equivalents at the beginning		47,328,637	69,577,920
Cash and cash equivalents at the end		41,150,961	47,328,637
Supplementary information:			
Restricted cash balance		6,135	6,664

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's Registration No.: 117366W/ W-100018

Gurvinder Singh
Partner
Membership No.: 110128

Bengaluru

March 30, 2023

for and on behalf of Infosys McCamish Systems, LLC

Rich Magner
Chief Executive Officer

Kapil Jain
Director

Thothathri V.
Director

Notes to the Financial Statements

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, 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 March 30, 2023.

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 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.

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 note no. 2.16.

b. Income taxes

The Company's tax jurisdiction is 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 no. 2.15.

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. Also, refer to Note no. 2.1.

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:

Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years
Plant and Machinery[(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.

Following are the changes in the carrying value of property, plant and equipment for the year ended December 31, 2022:

(In US$)

Particulars	Leasehold improvement	Plant and Machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at January 1, 2022	3,791,348	–	434,772	11,602,675	963,082	16,791,877
Additions	–	24,600	–	701,374	12,466	738,440
Deletions	–	–	–	(440,245)	–	(440,245)
Gross carrying value as at December 31, 2022	3,791,348	24,600	434,772	11,863,804	975,548	17,090,072
Accumulated depreciation as at January 1, 2022	2,160,722	–	332,122	7,965,602	639,101	11,097,547
Depreciation	689,662	3,141	46,852	1,490,951	141,435	2,372,041
Accumulated depreciation on deletions	–	–	–	(440,245)	–	(440,245)
Accumulated depreciation as at December 31, 2022	2,850,384	3,141	378,974	9,016,308	780,536	13,029,343
Carrying value as at December 31, 2022	940,964	21,459	55,798	2,847,496	195,012	4,060,729
Carrying value as at January 1, 2022	1,630,626	–	102,650	3,637,073	323,981	5,694,330

Following are the changes in the carrying value of property, plant and equipment for the year ended December 31, 2021:

(In US$)

Particulars	Leasehold improvement	Office Equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at January 1, 2021	3,791,348	507,737	8,414,712	1,081,282	13,795,079
Additions	–	1,110	3,283,970	–	3,285,080
Deletions	–	(74,075)	(96,007)	(118,200)	(288,282)
Gross carrying value as at December 31, 2021	3,791,348	434,772	11,602,675	963,082	16,791,877
Accumulated depreciation as at January 1, 2021	1,433,667	338,656	6,726,639	609,478	9,108,440
Depreciation	727,055	62,239	1,334,970	147,823	2,272,087
Accumulated depreciation on deletions	–	(68,773)	(96,007)	(118,200)	(282,980)
Accumulated depreciation as at December 31, 2021	2,160,722	332,122	7,965,602	639,101	11,097,547
Carrying value as at December 31, 2021	1,630,626	102,650	3,637,073	323,981	5,694,330
Carrying value as at January 1, 2021	2,357,681	169,081	1,688,073	471,804	4,686,639

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 and computer equipment. 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 Right-of-use 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.

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2022:

(In US$)

Particulars	Category of ROU asset		
	Buildings	Computers	Total
Balance as of January 1, 2022	9,886,118	12,939,782	22,825,900
Additions	973,545	52,196,994	53,170,539
Deletions	–	(6,946,993)	(6,946,993)
Amortization	(1,255,940)	(9,351,821)	(10,607,761)
Balance as of December 31, 2022	9,603,723	48,837,962	58,441,685

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2021:

(In US$)

Particulars	Category of ROU asset		
	Buildings	Computers	Total
Balance as of January 1, 2021	11,170,611	–	11,170,611
Additions	–	15,856,777	15,856,777
Deletions	–	–	–
Amortization	(1,284,493)	(2,916,995)	(4,201,488)
Balance as of December 31, 2021	9,886,118	12,939,782	22,825,900

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

The following is the break-up of current and non-current lease liabilities as at December 31, 2022:

(In US$)

Particulars	Amount
Non-current lease liabilities	53,988,294
Current lease liabilities	18,977,970
Total	72,966,264

The following is the break-up of current and non-current lease liabilities as at December 31, 2021:

(In US$)

Particulars	Amount
Non-current lease liabilities	22,260,177
Current lease liabilities	5,116,217
Total	27,376,394

The following is the movement in lease liabilities during the year ended December 31, 2022:

(In US$)

Particulars	Amount
Balance as of January 1, 2022	27,376,394
Additions	51,025,198
Deletions	–
Finance cost accrued during the period	1,374,678
Payment of lease liabilities	(6,810,006)
Balance as of December 31, 2022	72,966,264

The following is the movement in lease liabilities during the year ended December 31, 2021:

(In US$)

Particulars	Amount
Balance as of January 1, 2021	13,809,826
Additions	16,818,749
Deletions	–
Finance cost accrued during the period	533,053
Payment of lease liabilities	(3,785,234)
Balance as of December 31, 2021	27,376,394

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2022 on an undiscounted basis:

(In US$)

Particulars	Amount
Less than one year	17,365,358
One to five years	53,416,879
More than five years	3,798,685
Total	74,580,922

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.

Following are the changes in the carrying value of acquired intangible assets for the year ended December 31, 2022:

(In US$)

Particulars	Software
Gross carrying value as of January 1, 2022	3,300,000
Additions during the year	–
Deletions during the year	–
Gross carrying value as of December 31, 2022	3,300,000
Accumulated amortization as of January 1, 2022	1,731,781
Amortization expense	400,000
Deletion during the year	–
Accumulated amortization as of December 31, 2022	2,131,781
Carrying value as of December 31, 2022	1,168,219
Carrying value as of January 1, 2022	1,568,219
Total Estimated Useful Life (in years)	5

Following are the changes in the carrying value of acquired intangible assets for the year ended December 31, 2021:

(In US$)

Particulars	Software
Gross carrying value as of January 1, 2021	3,300,000
Additions during the year	–
Deletions during the year	–
Gross carrying value as of December 31, 2021	3,300,000
Accumulated amortization as of January 1, 2021	1,331,781
Amortization expense	400,000
Deletion during the year	–
Accumulated amortization as of December 31, 2021	1,731,781
Carrying value as of December 31, 2021	1,568,219
Carrying value as of January 1, 2021	1,968,219
Total Estimated Useful Life (in years)	5

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,	
	2022	2021
Non-current		
Unsecured, considered doubtful		
Loans to employees	3,192	11,046
Less: Allowance for doubtful loans to employees	(3,192)	(11,046)
	–	–
Unsecured, considered good		
Loans to related parties	29,356,274	18,553,142
	29,356,274	18,553,142
Total non-current loans	29,356,274	18,553,142
Current		
Unsecured, considered good		
Loans to employees	9,835	11,470
Unsecured, considered good		
Loans to related parties	15,515,690	–
	15,515,690	–
Total current loans	15,525,525	11,470
Total loans	44,881,799	18,564,612

2.5 Other financial assets

(In US$)

Particulars	As at December 31, 2022	2021
Non- current		
Security deposits [1]	127,260	127,260
Financial asset under financing arrangements [1]	967,294	4,903,040
Unbilled revenues[1] [3]	52,674,786	63,405,272
Investment in sub-lease	8,939,539	417,419
Total non-current other financial assets	62,708,879	68,852,991
Current		
Financial asset under financing arrangements [1]	1,857,155	2,225,068
Unbilled revenues[1] [3]	126,022,808	111,492,582
Others [1] [2]	798,575	1,010,345
Total current other financial assets	128,678,538	114,727,995
Total other financial assets	191,387,417	183,580,986

[1] Financial assets carried at amortized cost

[2] Includes dues from related parties (refer 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, 2022	2021
Current		
Trade Receivable considered good - Unsecured[1]	100,480,031	61,079,960
Less: Allowance for expected credit loss	(917,838)	(1,747,139)
Trade Receivable considered good - Unsecured	99,562,193	59,332,821
Trade Receivable - credit impaired - Unsecured	2,340,467	2,340,467
Less: Allowance for credit impairment	(2,340,467)	(2,340,467)
Trade Receivable - credit impaired - Unsecured	–	–
Total trade receivables	99,562,193	59,332,821

[1] Includes dues from related parties (refer note 2.20)

The table below provides details regarding the ageing of Trade receivables as at December 31, 2022:

(In US$)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	46,563,812	53,637,103	279,115	–	–	–	100,480,030
Undisputed Trade receivables - credit impaired	–	–	–	–	2,340,467	–	2,340,467
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							3,258,304
Total trade receivables	46,563,812	53,637,103	279,115	–	2,340,467	–	99,562,193

The table below provides details regarding the ageing of Trade receivables as at December 31, 2021:

(In US$)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	41,057,087	17,376,851	2,646,021	–	–	–	61,079,959
Undisputed Trade receivables - credit impaired	–	–	–	–	2,340,467	–	2,340,467
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							4,087,605
Total trade receivables	41,057,087	17,376,851	2,646,021	–	2,340,467	–	59,332,821

2.7 Cash and cash equivalents

(In US$)

Particulars	As at December 31,	
	2022	2021
Balances with banks		
In current and deposit accounts	41,150,961	47,328,637
	41,150,961	47,328,637

Cash and cash equivalents as at December 31, 2022 and December 31, 2021 include restricted bank balance of USD 6,135 and USD 6,664 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,	
	2022	2021
Non-current		
Prepaid expenses	13,494,273	3,561,106
Unbilled revenues (1)	5,807,906	10,881,092
Deferred Contract Cost		
Cost of obtaining a contract	3,706,282	18,359,216
Cost of fulfilling a contract	1,282,373	430,097
Total non-current other assets	24,290,834	33,231,510
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	123,279	3,735
Others		
Prepaid expenses	66,335,470	42,356,354
Unbilled revenues (1)	14,594,514	14,072,125
Deferred Contract Cost		
Cost of obtaining a contract	14,324,229	9,490,134
Cost of fulfilling a contract	100,858	388,688
Withholding taxes and others	109,956	150,025
Others (2)	1,195,790	1,620
Total current other assets	96,784,096	66,462,681
Total other assets	121,074,930	99,694,191

(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 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 are as follows:

(In US$)

Particulars	As at December 31,	
	2022	2021
Assets		
Cash and cash equivalents (Refer to Note No.2.7)	41,150,961	47,328,637
Trade receivables (Refer to Note No.2.6)	99,562,193	59,332,821
Loans (Refer to Note No.2.4)	44,881,799	18,564,612
Other financial assets (Refer to Note No.2.5)	191,387,417	183,580,986
Total	376,982,369	308,807,056
Liabilities		
Trade payables (Refer to Note No.2.12)	23,152,503	32,505,713
Other financial liabilities (Refer to Note No.2.11)	292,238,490	250,485,232
Total	315,390,993	282,990,945

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 $ 99,562,193 and US $ 59,332,821 as at December 31, 2022 and December 31, 2021 respectively. 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 following table gives details in respect of percentage of revenues generated from top ten customers:

(In %)

Particulars	Years ended December 31,	
	2022	2021
Revenue from top customer	14%	13%
Revenue from top ten customers	64%	57%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is US $ 3,258,304 and US $ 4,087,605 for the years ended December 31, 2022 and December 31, 2021, respectively.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks 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, 2022. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of December 31, 2022, the Company has a working capital of US $ 65,744,579 including cash and cash equivalents of US $ 41,150,961. As of December 31, 2021, the Company has a working capital of US $ 56,755,498, including cash and cash equivalents of US $ 47,328,637

2.10 Equity

As at December 31, 2022, 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, 2022.

2.11 Other financial liabilities

(In US$)

Particulars	As at December 31,	
	2022	2021
Non-current		
Accrued expenses(1)	54,546,318	65,576,024
Financial liability under financing arrangements(1)	11,918,021	24,369,529
Total non-current other financial liabilities	66,464,339	89,945,553
Current		
Accrued compensation to employees(1)	1,590,812	1,625,085
Accrued expenses(1)	171,235,548	134,858,030
Financial liability under financing arrangements(1)	14,250,283	13,631,925
Compensated absences	655,535	723,919
Capital creditors(1)	108,279	215,366
Other payables(1)(2)	38,589,229	10,073,303
Total current other financial liabilities	226,429,686	161,127,628
Total other financial liabilities	292,894,025	251,073,181

(1) Financial liability carried at amortized cost

(2) Includes dues to related parties (refer note 2.20)

2.12 Trade payables

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Outstanding dues of micro enterprises and small enterprises	30,000	–
Outstanding dues of creditors other than micro enterprises and small enterprises(1)	23,122,503	32,505,713
Total Trade payables	23,152,503	32,505,713

(1) Includes dues to related parties (refer note 2.20)

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises.

The table below provides details regarding the ageing of Trade payables as at December 31, 2022:

(In US$)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	–	30,000	–	–	–	30,000
Others	4,434,414	18,679,433	8,656	–	–	23,122,503
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	4,434,414	18,709,433	8,656	–	–	23,152,503

The table below provides details regarding the ageing of Trade payables as at December 31, 2021:

(In US$)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	17,349,277	128,170	–	–	–	17,477,447
Others	5,570,156	9,458,110	–	–	–	15,028,266
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	22,919,433	9,586,280	–	–	–	32,505,713

2.13 Other liabilities

(In US$)

Particulars	As at December 31,	
	2022	2021
Current		
Unearned revenue	45,639,396	28,873,142
Others		
Withholding taxes and others	840,257	2,024,663
Total current other liabilities	46,479,653	30,897,805
Total other liabilities	46,479,653	30,897,805

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, 2022 and December 31, 2021 is as follows:

(In US$)

Particulars	As at December 31,	
	2022	2021
Others		
Post-sales client support and others	154,916	373,659
Total Provisions	154,916	373,659

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,	
	2022	2021
Balance at the beginning	373,659	821,233
Provision recognized/(reversed)	36,781	(383,763)
Provision utilized	(255,524)	(63,811)
Balance at the end	154,916	373,659

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	Years ended December 31,	
	2022	2021
Current taxes	12,410,175	10,042,523
Deferred taxes	(4,233,003)	(217,596)
Income tax expense	8,177,172	9,824,927

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	Years ended December 31,	
	2022	2021
Profit before incomes taxes	42,435,925	35,495,702
Statutory Tax Rate	21%	21%
Computed expected tax expense	8,911,544	7,454,097
State Taxes	2,164,349	1,771,881
Disallowed Items	5,347	492
Deferred tax impact on ROU and lease liabilities	(2,880,344)	–
Effect of true up of previous year taxes	344,140	962,116
Other Adjustments	(367,864)	(363,659)
Income tax expense	8,177,172	9,824,927

The applicable US federal tax rates for 2022 and 2021 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 set forth below:

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Deferred tax assets:		
Accruals	1,482,763	478,701
Accrued Compensation	253,966	274,003
Accrued vacation	170,439	188,219
Unearned revenue	2,940,748	2,132,983
Trade receivables	1,458,787	1,639,143
Deferred tax impact on ROU and lease liabilities	2,880,773	–
Others	503,676	1,252,192
	9,691,152	5,965,241
Deferred tax liability:		
Property, Plant and Equipment	(248,159)	(755,250)
Accruals including contingent consideration reversal	(2,496,000)	(2,496,000)
Total deferred tax liability	(2,744,159)	(3,251,250)
Deferred tax asset, net	6,946,993	2,713,991

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 December 31, 2022.

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).

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

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). 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.

Contracts with customers includes third-party software in certain integrated services arrangements. In these types of arrangements, revenue from sale of third-party software licenses is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it controls the goods or service before it is transferred to the customer. The Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such capitalized contract costs are amortized over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Disaggregate revenue information

The disaggregated revenues from contracts with customers for years ended December 31, 2022 and December 31, 2021 by offerings are as follows. 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	Years ended December 31,	
	2022	2021
Revenue by offerings		
Core services	68,518,669	66,391,494
Sale of third-party software and services	390,204,461	305,459,661
Total	458,723,130	371,851,155

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 years ended December 31, 2022 and December 31, 2021 is as follows:

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Exchange gains/(losses) on translation of other assets and liabilities	(556,296)	(88,347)
Interest Income on bank and others	2,134,522	53,142
Miscellaneous income	1,302,210	827,894
	2,880,436	792,689

2.18 Expenses

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Employee benefit expenses		
Salaries including bonus	35,083,798	36,942,348
Staff welfare	47,502	67,538
	35,131,300	37,009,886
Cost of technical sub-contractors and Professional charges		
Cost of technical sub-contractors	96,018,337	59,420,194
Legal and professional	1,325,457	1,156,206
Recruitment and training	5,356	(16,382)
	97,349,150	60,560,018
Other expenses		
Consumables	88,708	54,396
Brand building and advertisement	5,405	2,000,000
Rates and taxes	899,367	431,817
Communication expenses	964,349	850,050
Office maintenance	1,000,661	492,902
Bank charges and commission	41,474	50,024
Professional membership and seminar participation fees	48,278	14,336
Donations	4,130,000	3,805,000
Impairment loss recognized/(reversed) under expected credit loss model	298,947	2,528,065
Provision for doubtful loans and advances	58,786	1,984
Provision for service level risk on revenue contracts, post sales client support and others	(6,057)	5,048
Postage and couriers	4,314,003	4,149,487
Insurance	119,663	71,377
Auditor's remuneration		
Statutory audit fees	40,000	37,000
Reimbursement of expenses	3,000	2,775
Others	259,766	69,876
	12,266,350	14,564,137

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

(In US$)

Particulars	Years ended December 31,	
	2022	2021
Commitments:		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	466,478	312,871

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,	
		2022	2021
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited	India	Holding company	Holding company
Fellow subsidiaries			
Infosys BPO Americas LLC[1]	U.S.		
Infosys Automotive and Mobility GmbH & Co. KG[2]	Germany		
Outbox systems Inc. dba Simplus (US)[3]	U.S.		
Blue Acorn iCi, Inc[3]	U.S.		
Infosys (Czech Republic) Limited s.r.o.[1]	Czech Republic		
GuideVision, s.r.o.[4]	Czech Republic		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[2]	Mexico		
Infosys Singapore Pte. Ltd	Singapore		
Infosys Technologies (China) Co. Limited[2]	China		

[1] Wholly-owned subsidiary of Infosys BPM

[2] Wholly-owned subsidiary of Infosys Limited

[3] Wholly-owned subsidiary of Infosys Nova Holdings LLC

[4] Wholly-owned subsidiary of Infosys Consulting Company Limited

The details of amounts due to or due from related parties as at December 31, 2022 and December 31, 2021 are as follows:

(In US$)

Particulars	As at December 31,	
	2022	2021
Trade payables		
Infosys Limited	7,976,372	14,663,366
Infosys BPM Limited	418,613	364,900
Infosys (Czech Republic) Limited s.r.o.	108,572	–
Infosys Technologies (China) Co. Limited	19,776	–
	8,523,333	15,028,266
Trade receivables		
Infosys Limited	–	34,495
Infosys BPM Limited	6,037,005	1,119,575
	6,037,005	1,154,070
Other financial assets		
Infosys Limited	1,613	356,918
Infosys BPM Limited	174,055	52,597
Infosys BPO Americas LLC	8,992	869
	184,660	410,384
Other assets		
Infosys Limited	1,624	1,624
	1,624	1,624
Other financial liabilities		
Infosys Limited	1,071,402	10,072,173
Infosys BPM Limited	313	–
Outbox systems Inc. dba Simplus (US)	139,257	–
Blue Acorn iCi Inc	87,171	–
	1,298,143	10,072,173
Loans		
Infosys Automotive and Mobility GmbH & Co. KG	29,356,274	18,553,142
Infosys Consulting Pte. Ltd	15,515,690	–
	44,871,964	18,553,142
Provision for expenses		
Infosys Limited	37,465,185	–
Infosys Automotive and Mobility GmbH & Co. KG	4,884,141	1,305,475
	42,349,326	1,305,475

The details of the related party transactions entered into by the Company for years ended December 31, 2022 and December 31, 2021 are as follows:

(In US$)

Particulars	Year ended December 31,	
	2022	2021
Revenue transactions:		
Purchase of services		
Infosys Limited	85,467,664	51,317,780
Infosys BPM Limited	4,312,774	4,752,484
Infosys (Czech Republic) Limited s.r.o.	307,259	–
Infosys Technologies (China) Co. Limited	65,720	–
Outbox systems Inc. dba Simplus (US)	1,453,730	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	122,648	–
GuideVision s.r.o.	52,712	–
Blue Acorn iCi Inc	972,525	–
	92,755,032	56,070,264
Purchase of shared services		
Infosys Limited	124,791	470,493
Infosys Automotive and Mobility	6,933,367	1,305,475
	7,058,158	1,775,968
Sale of services		
Infosys Limited	1,097,174	656,766
Infosys BPM Limited	15,992,204	13,522,969
	17,089,378	14,179,735
Sale of shared services		
Infosys BPM Limited	446,735	304,885
Infosys BPO Americas LLC	18,551	203,948
	465,286	508,833
Interest Income		
Infosys Automotive and Mobility GmbH & Co. KG	1,303,133	53,142
Infosys Singapore Pte. LTd	606,695	–
	1,909,828	53,142

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	Years ended December 31, 2022	2021
Salaries and other employee benefits to whole-time directors and executive officers	673,042	684,306
Commission and other benefits to non-executive/independent directors	–	–
Total	673,042	684,306

2.21 Compensated absences

The employees of the Company are entitled to compensate the absence, 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.

2.23 Analytical ratios

The following are certain analytical ratios for the year ended December 31, 2022 and December 31, 2021:

Particulars	Numerator	Denominator	Years ended December 31, 2022	2021	% of Variance
Current Ratio	Current assets	Current liability	1.2	1.2	0.0%
Debt – Equity Ratio	Total Debt[(1)]	Shareholder's Equity	0.7	0.7	0.0%
Debt Service Coverage Ratio	Earnings available for debt service[(2)]	Debt Service[(3)]	2.6	668.3	(99.6%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	29.6%	29.9%	(0.3%)
Trade receivables turnover ratio	Net Credit Revenue	Average Accounts Receivable	5.8	8.0	(27.5%)
Trade payables turnover ratio	Net Credit Purchase of services/consumables	Average Trade Payables	13.1	11.8	11.0%
Net capital turnover ratio	Net Sales	Working Capital	7.0	6.6	6.1%
Net profit ratio	Net Profit	Net Sales	7.5%	6.9%	0.6%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[(4)]	19.3%	22.4%	(3.1%)
Return on Investment					
Unquoted	Income from investments	Time weighted average investments			
Quoted	Income from investments	Time weighted average investments			

(1) Debt represents lease liabilities and liabilities under financing arrangements.

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments and payment of rentals towards financing arrangements for the current year

(4) Tangible net worth + Deferred tax liabilities + Lease liabilities + Liabilities under financing arrangements

During the year ended December 31, 2022, there is a variance of more than 25% compared to previous year in Debt Service Coverage Ratio due to increase of payment under lease and repayment of rentals towards financing arrangements and in trade receivable turnover ratio due to delay in collections.

for and on behalf of Infosys McCamish Systems, LLC

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

Bengaluru

March 30, 2023

Infosys Poland Sp. z o.o.

Independent Auditor's Report

To the Board of Directors of Infosys Poland Sp. z o.o

Report on the Special Purpose Financial Statements

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, 2023, 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"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give 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 March 31, 2023, 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 is responsible for the preparation and presentation 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 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.

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.

Other Matter

Corresponding figures of the Company for the year ended March 31, 2022 have been audited by another auditor who expressed an unmodified opinion dated May 12, 2022 on the special purpose financial statements of the Company for the year ended March 31, 2022.

Our opinion on the financial statements is not modified in respect of the above matter.

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely 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: 23110128BGRDFH9239

Date: June 2, 2023

Place: Bengaluru

Balance Sheet

(In PLN)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	7,627,669	8,143,953
Right of use assets	2.2	52,379,994	73,410,402
Goodwill	2.3	22,046,332	22,046,332
Financial assets:			
Investments	2.4	42,934,577	54,952,504
Loans	2.5	134,233,060	126,223,714
Other financial assets	2.6	5,972,176	2,874,551
Deferred tax assets (net)	2.16	14,619,044	13,860,419
Other non-current assets	2.9	–	2,481,136
Total non - current assets		279,812,852	303,993,011
Current assets			
Financial assets:			
Trade receivables	2.7	110,463,685	121,607,198
Cash and cash equivalents	2.8	212,103,980	124,166,587
Loans	2.5	186,869	27,369,291
Other financial assets	2.6	23,674,792	11,573,276
Other current assets	2.9	25,738,723	15,045,152
Total current assets		372,168,049	299,761,504
Total Assets		651,980,901	603,754,515
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,500,000	2,500,000
Other equity		412,574,275	370,739,974
Total equity		415,074,275	373,239,974
Liabilities			
Non-current liabilities			
Financial liabilities:			
Lease liabilities	2.2	56,364,526	77,407,393
Other financial liabilities	2.12	2,293,596	–
Total non - current liabilities		58,658,122	77,407,393
Current liabilities			
Financial liabilities:			
Trade payables	2.13	4,419,512	4,376,422
Lease liabilities	2.2	15,685,413	11,994,825
Other financial liabilities	2.12	111,635,928	82,636,556
Other current liabilities	2.14	42,878,429	47,997,810
Provisions	2.15	1,557,444	1,051,095
Income tax liabilities (net)	2.16	2,071,778	5,050,440
Total current liabilities		178,248,504	153,107,148
Total equity and liabilities		651,980,901	603,754,515

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's Registration Number: 117366W/ W-100018

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

Gurvinder Singh
Partner
Membership Number: 110128

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

Statement of Profit and Loss

(In PLN, except equity share and per equity share data)

Particulars	Note	Years ended March 31, 2023	2022
Revenue from operations	2.17	589,002,928	458,731,682
Other income, net	2.18	444,733	18,630,501
Total income		589,447,661	477,362,183
Expenses			
Employee benefit expenses	2.19	381,685,722	314,095,200
Cost of technical sub-contractors and professional charges	2.19	76,978,564	47,424,066
Travel expenses		3,187,652	572,203
Cost of software packages and others		17,156,959	2,656,763
Depreciation and amortization expense	2.1 & 2.2	18,949,479	19,964,899
Finance cost	2.2	4,335,915	1,761,742
Other expenses	2.19	28,740,537	19,203,671
Total expenses		531,034,828	405,678,544
Profit before tax		58,412,833	71,683,639
Tax expense:			
Current tax	2.16	17,337,157	13,145,490
Deferred tax	2.16	(758,625)	(261,661)
		16,578,532	12,883,829
Profit for the period		41,834,301	58,799,810
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, net of tax		–	–
Total comprehensive income for the period		41,834,301	58,799,810
Earnings per equity share			
Equity shares of par value PLN 500/- each			
Basic and diluted (PLN)		8366.86	11,759.96
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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/ W-100018

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

Gurvinder Singh
Partner
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Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

Statement of Changes in Equity

(In PLN)

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the company
		Reserves and 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, 2021	2,500,000	24,999,800	345,096,062	2,173,202	(60,800,000)	471,100	314,440,164
Changes in equity for the year ended March 31, 2022							
Profit for the year	–	–	58,799,810	–	–	–	58,799,810
Total Comprehensive income for the period	–	–	58,799,810	–	–	–	58,799,810
Balance as at March 31, 2022	2,500,000	24,999,800	403,895,872	2,173,202	(60,800,000)	471,100	373,239,974
Balance as at April 01, 2022	2,500,000	24,999,800	403,895,872	2,173,202	(60,800,000)	471,100	373,239,974
Changes in equity for the year ended March 31, 2023							
Profit for the year	–	–	41,834,301	–	–	–	41,834,301
Total comprehensive income for the period	–	–	41,834,301	–	–	–	41,834,301
Balance as at March 31, 2023	2,500,000	24,999,800	445,730,173	2,173,202	(60,800,000)	471,100	415,074,275

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's Registration Number: 117366W/ W-100018

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

Gurvinder Singh
Partner
Membership Number: 110128

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

June 2, 2023
Bengaluru

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 Cmpany 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	Years ended March 31, 2023	2022
Cash flow from operating activities:			
Profit for the period		41,834,301	58,799,810
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.16	16,578,532	12,883,829
Depreciation and amortization	2.1 & 2.2	18,949,479	19,964,899
Finance cost		4,335,915	1,761,742
Interest on bank deposits and others		(11,335,841)	(1,636,281)
Impairment loss recognized/ (reversed) under expected credit loss model		1,179,415	1,016,704
(Profit)/Loss/fair value change on Investments		22,749,320	(19,609,159)
Exchange difference on translation of assets and liabilities		(950,649)	(1,744,897)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		31,201	(17,760,378)
Other financial assets and other assets		(13,377,737)	(5,099,360)
Trade payables		43,090	1,651,655
Other financial liabilities, other liabilities and provisions		22,587,881	26,362,017
Cash generated from operations		102,624,907	76,590,581
Income taxes paid, net of refunds		(20,315,819)	(18,485,994)
Net cash generated by operating activities		82,309,088	58,104,587
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(3,807,273)	(4,398,106)
Loans (to)/ repaid by employees		(62,992)	65,767
Interest received on bank deposits and others		7,744,812	663,987
Loan given to fellow subsidiary		(57,178,067)	(129,431,682)
Loan repaid by fellow subsidiary		79,523,733	2,916,667
Payments to acquire financial assets			
Preference and other securities		(8,965,150)	(10,690,417)
Net cash from/ (used in) investing activities		17,255,063	(140,873,784)
Cash flow from financing activities:			
Payment of lease liabilities		(15,570,731)	(12,413,879)
Receipt under financing arrangements		6,435,057	–
Repayment of rentals towards financing arrangements		(2,343,002)	–
Net cash used in financing activities		(11,478,676)	(12,413,879)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(148,082)	(837,394)
Net increase/ (decrease) in cash and cash equivalents		88,085,475	(95,183,076)
Cash and cash equivalents at the beginning	2.8	124,166,587	220,187,057
Cash and cash equivalents at the end	2.8	212,103,980	124,166,587

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's Registration Number: 117366W/ W-100018

Gurvinder Singh
Partner
Membership Number: 110128

June 2, 2023
Bengaluru

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

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

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. It's registered office is at ul. Pomorska 106A, 91-402 Łódź, 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 2, 2023.

1.2 Basis of preparation of financial statements

These special purpose financial statements are prepared for inclusion in the annual report of the 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. 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 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 No. 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.

1.4 Critical accounting estimates and judgements

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 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 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 No. 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 No. 2.16).

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. 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 No. 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's cash-generating. 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 the management has based its 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 the Management's best estimate about future developments.

1.5 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS-1, Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the company financial statements.

Ind-AS 8, Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind-AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind-AS 12, Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statement.

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	Over lease term or 5 years which ever 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 Generating Unit ('CGU') to which the asset belongs.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023, 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, 2022	11,243,894	843	3,248,799	28,292,125	5,567,149	48,352,810
Additions	–	–	150,778	3,602,496	54,001	3,807,275
Deletions	–	–	(444,371)	(7,846,971)	(2,838,661)	(11,130,003)
Gross carrying value as at March 31, 2023	11,243,894	843	2,955,206	24,047,650	2,782,489	41,030,082
Accumulated depreciation as at April 1, 2022	11,142,841	630	3,076,268	20,573,479	5,415,640	40,208,858
Depreciation	83,487	167	101,337	4,053,095	85,472	4,323,558
Accumulated depreciation on deletions	–	–	(444,371)	(7,846,971)	(2,838,661)	(11,130,003)
Accumulated depreciation as at March 31, 2023	11,226,328	797	2,733,234	16,779,603	2,662,451	33,402,413
Carrying value as of March 31, 2023	17,566	46	221,972	7,268,047	120,038	7,627,669
Carrying value as at April 1, 2022	101,053	213	172,531	7,718,646	151,509	8,143,952

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022, 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, 2021	11,243,894	843	3,183,169	25,112,983	5,524,096	45,064,985
Additions	–	–	65,630	4,297,634	43,053	4,406,317
Deletions	–	–	–	(1,118,492)	–	(1,118,492)
Gross carrying value as at March 31, 2022	11,243,894	843	3,248,799	28,292,125	5,567,149	48,352,810
Accumulated depreciation as at April 1, 2021	11,059,354	463	2,973,412	17,944,429	5,313,774	37,291,432
Depreciation	83,487	167	102,856	3,747,542	101,866	4,035,918
Accumulated depreciation on deletions	–	–	–	(1,118,492)	–	(1,118,492)
Accumulated depreciation as at March 31, 2022	11,142,841	630	3,076,268	20,573,479	5,415,640	40,208,858
Carrying value as at March 31, 2022	101,053	213	172,531	7,718,646	151,509	8,143,952
Carrying value as at April 1, 2021	184,540	380	209,757	7,168,554	210,322	7,773,553

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 and Computers. 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 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.

The changes in the carrying value of right of use assets for the year ended March 31, 2023, were as follows:

(In PLN)

	Category of ROU asset		
	Buildings	Computers	Total
Balance as of April 1, 2022	73,322,660	87,742	73,410,402
Additions/ adjustments*	(5,553,296)	535,869	(5,017,427)
Deletions/ adjustments	(1,208,469)	(178,591)	(1,387,060)
Depreciation	(14,513,873)	(112,048)	(14,625,921)
Balance as of March 31, 2023	52,047,022	332,972	52,379,994

* Net of adjustments on account of modifications

The changes in the carrying value of right of use assets for the year ended March 31, 2022, were as follows:

(In PLN)

	Category of ROU asset		
	Buildings	Computers	Total
Balance as of April 1, 2021	105,008,309	–	105,008,309
Additions/Adjustments*	(15,051,457)	91,214	(14,960,243)
Deletions/Adjustments	(708,683)	–	(708,683)
Depreciation	(15,925,509)	(3,472)	(15,928,981)
Balance as of March 31, 2022	73,322,660	87,742	73,410,402

* 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, 2023 and March 31, 2022, was as follows:

(In PLN)

Particulars	As at March 31,	
	2023	2022
Non-current lease liability	56,364,526	77,407,393
Current lease liability	15,685,413	11,994,825
Total	72,049,939	89,402,218

The movement in lease liability during the year ended March 31, 2023 and March 31,2022, was as follows:

(In PLN)

Particulars	Year ended March 31,	
	2023	2022
Balance at the beginning	89,402,218	116,747,955
Additions/ adjustments	(5,033,176)	(14,960,243)
Deletions/ adjustments	(1,265,737)	(755,522)
Finance cost accrued during the period	3,955,425	1,761,742
Payment of lease liability	(15,570,731)	(12,413,879)
Translation difference	561,940	(977,835)
Balance at the end	72,049,939	89,402,218

Rental expense recorded for short-term leases was PLN 1,319,072 for the year ended March 31, 2023 and PLN 550,090 for the year ended March 31, 2022.

The details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows:

(In PLN)

Particulars	As at March 31,	
	2023	2022
Less than one year	20,103,279	10,038,052
One to five years	63,103,895	70,132,323
More than five years	–	13,512,605
Total	83,207,174	93,682,980

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 purchase consideration in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.Summary of changes in the carrying amount of goodwill is as follows:

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment

Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

(In PLN)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying value at the beginning	22,046,332	22,046,332
Translation differences	–	–
Carrying value at the end	22,046,332	22,046,332

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2023 the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

Particulars	As of March 31 2023	As of March 31 2022
Long term growth rate	2-5	2-5
Operating margins	10-11	10-11
Discount rate	13.2	11.9

2.4 Investments

(In PLN)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current investments		
Preference securities	–	12,902,843
Other securities	42,934,577	42,049,661
Total non-current investments	42,934,577	54,952,504
Total carrying value	42,934,577	54,952,504

(In PLN)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unquoted investments- carried at fair value through profit or loss		
Tidal Scale Inc. - Preference and other securities	–	12,902,843
The House Fund II,L.P.- other securities[(1)]	42,934,577	42,049,661
Total non-current investments	42,934,577	54,952,504
Aggregate amount of unquoted investments	42,934,577	54,952,504
Investment carried at fair value through Profit or Loss	42,934,577	54,952,504

[(1)] There is an uncalled capital commitment from House of Fund

Refer to Note No. 2.10 for accounting policies on financial instruments.

Method of fair valuation:

(In PLN)

Class of investment	Method	As at March 31, 2023	As at March 31, 2022
Preference securities	Discounted cash flows method, Market multiple method	–	12,902,843
Other securities	Discounted cash flows method, Market multiple method	42,934,577	42,049,661

2.5 Loans

(In PLN)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered doubtful		
Loans to employees	9,884	67,339
Less: Allowance for doubtful loans to employees	–	(39,796)
	9,884	27,543
Loans to fellow subsidiary (Refer to Note 2.21) [(1)]	134,223,176	126,196,171
	134,233,060	126,223,714
Current		
Unsecured, considered good		
Loans to employees	186,869	106,218
Loans to fellow subsidiary (Refer to Note No. 2.21)[(1)]	–	27,263,073
Total current loans	186,869	27,369,291
Total Loans	134,419,929	153,593,005
[(1)] Includes dues from related parties (Refer to Note No. 2.21)	134,223,176	153,459,244

2.6 Other financial assets

(In PLN)

Particulars	As at March 31, 2023	2022
Non-current		
Rental deposits [1]	2,838,271	2,844,490
Non-current unbilled revenue financial assets	2,114,711	–
Investment in lease – Non-current	1,019,194	30,061
Total non-current other financial assets	5,972,176	2,874,551
Current		
Electricity and other deposits[1]	5,339	10,327
Unbilled revenues [1]#	15,511,809	10,844,431
Interest accrued but not due[1]	215,722	114,780
Foreign currency forward contracts[2]	6,832,200	411,800
Others[1][3]	1,109,722	191,938
Total current other financial assets	23,674,792	11,573,276
Total financial assets	29,646,968	14,447,827
[1] Financial assets carried at amortized cost.	22,814,768	14,036,027
[2] Financial assets carried at fair value through Profit or Loss.	6,832,200	411,800
[3] Includes dues from related parties (Refer to Note No. 2.21)	253,167	189,360

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, 2023	2022
Current		
Unsecured		
Considered good[1][2]	112,402,511	122,867,433
Less: Allowances on for credit losses	(1,938,826)	(1,260,235)
	110,463,685	121,607,198
Total trade receivables	110,463,685	121,607,198
[1] Includes dues from related parties	16,366,564	8,946,646
[2] Includes dues from companies where directors are interested.		

The table below provides details regarding the ageing of Trade receivables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	86,052,962	23,308,419	659,058	1,121,482	1,260,590	–	112,402,511
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	–	–	(1,938,826)
Total trade receivables	86,052,962	23,308,419	659,058	1,121,482	1,260,590	–	110,463,685

The table below provides details regarding the ageing of Trade receivables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	92,122,113	19,934,730	10,134,582	676,008	–	–	122,867,433
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	–	–	(1,260,235)
Total trade receivables	92,122,113	19,934,730	10,134,582	676,008	–	–	121,607,198

2.8 Cash and cash equivalents

(In PLN)

Particulars	As at March 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	212,099,212	124,161,824
Cash on hand	4,768	4,763
	212,103,980	124,166,587
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,	
	2023	2022
Non-current		
Advances other than capital advance		
Deferred contract cost[3]	–	2,481,136
Total Non-Current other assets	–	2,481,136
Current		
Unsecured, considered good		
Payment to vendors for supply of goods	40,723	324,089
Others		
Withholding taxes and others[1]	9,361,699	2,879,230
Prepaid expenses	1,092,696	1,008,446
Unbilled revenues[2]	10,282,747	7,525,205
Deferred contract cost[3]	4,960,858	3,308,182
Total Current other assets	25,738,723	15,045,152
Total other assets	25,738,723	17,526,288

(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.

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 recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to the 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 the 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 within 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, 2023 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)	212,103,980	–	–	212,103,980	212,103,980
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	42,934,577	42,934,577	42,934,577
Trade receivables (Refer to Note 2.7)	110,463,685	–	–	110,463,685	110,463,685
Loans (Refer to Note 2.5)	134,419,929	–	–	134,419,929	134,419,929
Other financial assets (Refer to Note 2.6)[1]	22,814,768	–	6,832,200	29,646,968	29,646,968
Total	479,802,362	–	49,766,777	529,569,139	529,569,139

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory		
Liabilities:					
Trade payables (Refer to Note 2.13)	4,419,512	–	–	4,419,512	4,419,512
Lease Liabilities (Refer to Note 2.2)	72,049,939	–	–	72,049,939	72,049,939
Other financial liabilities (Refer to Note 2.12)	90,955,522	–	–	90,955,522	90,955,522
Total	167,424,973	–	–	167,424,973	167,424,973

(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, 2022 were as follows:

(In PLN)

Particulars	Amortised 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)	124,166,587	–	–	124,166,587	124,166,587
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	54,952,504	54,952,504	54,952,504
Trade receivables (Refer to Note 2.7)	121,607,198	–	–	121,607,198	121,607,198
Loans (Refer to Note 2.5)	153,593,005	–	–	153,593,005	153,593,005
Other financial assets (Refer to Note 2.6)(1)	14,036,027	–	411,800	14,447,827	14,447,827
Total	413,402,817	–	55,364,304	468,767,121	468,767,121
Liabilities:					
Trade payables (Refer to Note No. 2.13)	4,376,422	–	–	4,376,422	4,376,422
Lease Liabilities (Refer to Note No. 2.2)	89,402,218	–	–	89,402,218	89,402,218
Other financial liabilities (Refer to Note No. 2.12)	60,865,079	–	2,706,201	63,571,280	63,571,280
Total	154,643,719	–	2,706,201	157,349,920	157,349,920

(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, 2023:

(In PLN)

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in preference securities (Refer to Note No. 2.4)	–	–	–	–
Investments in other securities (Refer to Note No. 2.4)	42,934,577	–	–	42,934,577
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note No. 2.6)	7,660,700	–	7,660,700	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note No. 2.12)	–	–	–	–

The hierarchy of assets and liabilities measured at fair value as at March 31, 2022, is as follows:

(In PLN)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in preference securities (Refer to Note No. 2.4)	12,902,843	–	–	12,902,843
Investments in other securities (Refer to Note No. 2.4)	42,049,661	–	–	42,049,661
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note No. 2.6)	411,800	–	411,800	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note No. 2.12)	2,706,201	–	2,706,201	–

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.

Market risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Poland zloty and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the Poland zloty appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from financial assets and liabilites as at March 31, 2023:

(In PLN)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net Financial Assets	160,157,967	89,948,738	2,261,399	–	947,568	253,315,672
Net Financial Liabilities	(2,573,287)	(89,042,960)	(557,194)	–	(1,762,923)	(93,936,364)
Total	157,584,680	905,778	1,704,205	–	(815,355)	159,379,308

The following table analyzes foreign currency risk from financial assets and liabilites as at March 31, 2022:

(In PLN)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net Financial Assets	119,753,033	168,924,661	16,936,679	–	107,838	305,722,211
Net Financial Liabilities	(1,629,015)	(94,219,078)	(417,983)	–	(882,255)	(97,148,331)
Total	118,124,018	74,705,583	16,518,696	–	(774,417)	208,573,880

Sensitivity analysis between Poland zloty and USD

Particulars	Year ended March 31,	
	2023	2022
Impact on the Company's incremental Operating Margins	0.63%	0.69%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

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:

(In PLN)

Particulars	As at March 31,			
	2023		2022	
	In million	In PLN	In million	In PLN
Forward contracts				
In US Dollars	43	184,314,554	35	144,379,600
In United Kingdom Pound Sterling	3	15,907,668	3	16,833,300
In Euros	–	–	14	65,523,200
Total forwards		200,222,222		226,736,100

The foreign exchange forward contracts mature within twelve months. The analyzes of the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date are as follows:

(In PLN)

Particulars	As at March 31,	
	2023	2022
Not later than one month	42,863,850	226,736,100
Later than one month and not later than three months	157,358,372	–
	200,222,222	226,736,100

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 quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

(In PLN)

Particulars	As at March 31,			
	2023		2022	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial Asset/ liability	6,832,200	–	411,800	(2,706,201)
Amount set off	–	–	–	–
Net amount presented in balance sheet	6,832,200	–	411,800	(2,706,201)

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 110,463,685 and PLN 121,607,198 as at March 31, 2023 and March 31, 2022 and unbilled revenue amounting to PLN 27,909,267 and PLN 18,369,636 as of March 31, 2023 and March 31, 2022, 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.

Write off Policy

Receivables are written off when there is no realistic prospect of recovery.This is generally the case when the Company determines through its continuous credit-monitoring that the amount is not recoverable due to the financial inability of or disputes with the customer. Insomecases, such financial assets writtenoff could still be subject to enforcement activities by the Company in line with its policy of recovery of dues.

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

(In %)

Particulars	Years ended March 31,	
	2023	2022
Revenue from top customer	16%	16%
Revenue from top ten customers	58%	61%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023, was PLN 1,938,826. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022, was PLN 1,260,235.

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, 2023, the Company had a working capital of PLN 279,801,877 including cash and cash equivalents of PLN 212,103,980. As of March 31, 2022, the Company had a working capital of PLN 146,654,356 including cash and cash equivalents of PLN 124,166,587.

As of March 31, 2023, and March 31, 2022, the outstanding compensated absences were PLN 22,974,002 and PLN 19,065,276 respectively, which have been substantially funded. Further, as of March 31, 2023, and March 31, 2022, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as of March 31, 2023, are as follows:

(In PLN)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,419,512	–	–	–	4,419,512
Other financial liabilities (Refer to Note No. 2.12)	88,661,926	2,293,596	–	–	90,955,522

The details regarding the contractual maturities of significant financial liabilities as of March 31, 2022, are as follows:

(In PLN)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,376,422	–	–	–	4,376,422
Other financial liabilities (Refer to Note No. 2.12)	60,865,079	–	–	–	60,865,079

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,	
	2023	2022
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 as at:

Name of the shareholder	As at March 31,			
	2023		2022	
	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 is as follows:

(In PLN, except as otherwise stated)

Particulars	As at March 31,			
	2023		2022	
	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, 2023	2022
Non-current		
Others		
Financial Liability under revenue deals[1]	2,293,596	–
Total non-current other financial liabilities	2,293,596	–
Current		
Others		
Accrued compensation to employees[1]	47,906,935	42,155,634
Financial Liability under revenue deals[1]	2,178,950	–
Accrued expenses[1]*	28,752,209	17,887,916
Other payables [1]**	9,823,832	821,529
Compensated absences	22,974,002	19,065,276
Foreign currency forward contracts[2]	-	2,706,201
Total current other financial liabilities	111,635,928	82,636,556
Total other financial liabilities	113,929,524	82,636,556
[1]Financial liability carried at amortized cost	90,955,522	60,865,079
[2]Financial liability carried at fair value through Profit or loss	–	2,706,201
* Includes dues to related parties (Refer to Note No. 2.21)	1,882,638	1,593,384
** Includes dues to related parties (Refer to Note No. 2.21)	9,823,831	821,529

2.13 Trade payables

(In PLN)

Particulars	As at March 31, 2023	2022
Current		
Trade payables[1]	4,419,512	4,376,422
Total Trade payables	4,419,512	4,376,422
[1] Includes dues to related parties (Refer to Note No. 2.21)	321,478	252,853

As at March 31, 2023 and March 31, 2022, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

The table below provides details regarding the ageing of Trade payables as at March 31, 2023

(In PLN)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	–	–	–	–	–
Others	2,044,651	2,374,861	–	–	–	4,419,512
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	2,044,651	2,374,861	–	–	–	4,419,512

The table below provides details regarding the ageing of Trade payables as at March 31, 2022

(In PLN)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	–	–	–	–	–	–
Others	2,524,252	1,852,170	–	–	–	4,376,422
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	2,524,252	1,852,170	–	–	–	4,376,422

2.14 Other liabilities

(In PLN)

Particulars	As at March 31,	
	2023	2022
Current		
Unearned revenue	27,659,107	30,768,792
Others		
Withholding taxes and other payables	15,219,322	17,229,018
Total current other liabilities	42,878,429	47,997,810

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

(In PLN)

Particulars	As at March 31,	
	2023	2022
Current		
Others		
Post sales client support and other provisions	1,557,444	1,051,095
Total provisions	1,557,444	1,051,095

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,	
	2023	2022
Balance at the beginning	1,051,095	1,273,151
Provision recognized/ (reversed)	1,840,175	(225,126)
Provision utilized	(1,281,480)	(13,679)
Exchange difference	(52,346)	16,749
Balance at the end	1,557,444	1,051,095

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.

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

(In PLN)

Particulars	Years ended March 31,	
	2023	2022
Current taxes	17,337,157	13,145,490
Deferred taxes	(758,625)	(261,661)
Income tax expense	16,578,532	12,883,829

Income tax expense for the year ended March31,2023 and March31,2022 includes provision (net of reversals)of PLN2,087,352 and reversal (net of additional provisions) of PLN 611,324 respectively, pertaining to earlier periods on completion of assessments.

Deferred income tax for the year ended March 31, 2023, and March 31, 2022, 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	Years ended March 31,	
	2023	2022
Profit before income taxes	58,412,833	71,683,639
Statutory tax rate	19.00%	19.00%
Computed expected tax expense	11,098,438	13,619,891
Tax effect due to non-taxable income for tax purposes	–	1,435,034
Tax provision (reversals), overseas and domestic	2,087,352	(611,324)
Effect of differential overseas tax rates	–	(5,485,203)
Effect of non-deductible expenses	5,260,004	8,399,017
Others	(1,867,262)	(4,473,586)
Income tax expense	16,578,532	12,883,829

The applicable Poland statutory tax rates for fiscal 2023 and fiscal 2022 is 19% and 19% respectively.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2023 and March 31, 2022:

(In PLN)

Particulars	As at March 31,	
	2023	2022
Income tax assets	15,356,219	32,181,913
Current Income tax liabilities	(17,427,997)	(37,232,353)
Net income tax Liabilities at the end	(2,071,778)	(5,050,440)

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2023 and March 31, 2022 is as follows:

(In PLN)

Particulars	Year ended March 31,	
	2023	2022
Net income tax asset/ (liability) at the beginning	(5,050,440)	(10,390,944)
Income tax paid, net of refunds	20,315,819	18,485,994
Income tax expense	(17,337,157)	(13,145,490)
Net income tax asset/(Liability) at the end	(2,071,778)	(5,050,440)

Deferred Tax Assest have not been recognised on the notional loss on venture of PLN 10,437,435 as at March 31,2023 as it is probable that future taxable profit will not be available against which the deferred tax asset can be utilized in the foreseeable future.

The movement in gross deferred income tax assets and labilities (before set off) for the year ended March 31, 2023 is as follows:

(In PLN)

Particulars	Carrying Value as on April 01,2022	Changes through Profit & Loss	Changes through other equity	Translation difference	Carrying Value as on March 31,2023
Deferred tax assets:					
Accrued Compensation	3,327,307	(190,575)	–	–	3,136,732
Accrued vacation	3,622,402	742,658	–	–	4,365,060
Trade receivables	8,421,384	(2,861,283)	–	–	5,560,101
Lease Liabilities	–	3,737,290	–	–	3,737,290
Others	3,374,626	1,242,685	–	–	4,617,311
Total deferred tax assets	18,745,719	2,670,775	–	–	21,416,494
Deferred income tax liabilities					
Property, plant and equipment	(948,001)	375,279	–	–	(572,722)
Others	(3,937,299)	(2,287,429)	–	–	(6,224,728)
Total deferred tax liabilities	(4,885,300)	(1,912,150)	–	–	(6,797,450)

The movement in gross deferred income tax assets and labilities (before set off) for the year ended March 31, 2022 is as follows:

(In PLN)

Particulars	Carrying Value as on April 01,2021	Changes through Profit & Loss	Changes through other equity	Translation difference	Carrying Value as on March 31,2022
Deferred tax assets:					
Accrued Compensation	2,801,413	525,894	–	–	3,327,307
Accrued vacation	3,581,526	40,876	–	–	3,622,402
Trade receivables	–	8,421,384	–	–	8,421,384
Others	8,022,265	(4,647,639)	–	–	3,374,626
Total deferred tax assets	14,405,204	4,340,515	–	–	18,745,719
Deferred income tax liabilities					
Property, plant and equipment	(167,611)	(780,390)	–	–	(948,001)
Others	(638,835)	(3,298,464)	–	–	(3,937,299)
Total deferred tax liabilities	(806,446)	(4,078,854)	–	–	(4,885,300)

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. 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 March 31, 2023.

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).

Such capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

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

Revenues for the year ended March 31, 2023 and March 31, 2022, are follows:

(In PLN)

Particulars	Years ended March 31,	
	2023	2022
Income from business process management services	589,002,928	458,731,682
	589,002,928	458,731,682

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023, and March 31, 2022, 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	Years ended March 31,	
	2023	2022
Revenue by offerings		
Digital	154,550,829	111,131,701
Core	434,452,099	347,599,981
Total	589,002,928	458,731,682

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.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in IND AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023 other than those meeting the exclusion criteria mentioned above is PLN 248,191,665. Out of this, the Group expects to recognize revenue of around 53.4% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

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, 2023, and March 31, 2022, is as follows:

(In PLN)

Particulars	Years ended March 31,	
	2023	2022
Interest income on financial assets at carried at amortized cost:		
Deposit with banks and others	11,335,841	1,636,281
Exchange gains/ (losses) on foreign currency forward and options contracts	15,794,750	(8,118,900)
Exchange gains/ (losses) on translation of other assets and liabilities	(4,006,820)	5,110,384
Fair valuation loss on Investments	(22,749,320)	19,609,160
Other miscellaneous income, net	70,282	393,576
	444,733	18,630,501

2.19 Expenses

(In PLN)

Particulars	Years ended March 31, 2023	2022
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	377,571,549	307,961,501
Staff welfare	4,114,173	6,133,699
	381,685,722	314,095,200
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	66,679,218	39,741,044
Legal and professional	3,250,360	2,744,941
Recruitment and training	7,048,986	4,938,081
	76,978,564	47,424,066
Other expenses		
Computer maintenance	628,083	466,797
Office maintenance	8,679,338	8,093,817
Consumables	326,672	357,851
Brand building and advertisement	307,213	189,287
Marketing expenses	35,105	11,775
Power and fuel	1,165,681	548,391
Insurance charges	248,447	222,193
Rent	1,319,072	550,090
Communication	2,863,708	2,045,701
Rates and taxes	5,900,912	4,353,573
Bank charges and commission	1,065,517	928,782
Postage and courier	205,117	152,243
Allowances for credit losses on financial assets	1,075,450	1,016,704
Professional membership and seminar participation fees	51,889	21,991
Provision for post-sale customer support and others	103,965	(311,551)
Other miscellaneous expenses	4,764,368	556,027
	28,740,537	19,203,671

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, 2023	2022
Contingent liabilities:		
Claims against the Company, not acknowledged as debts[(1)]	–	–
Commitments:		
Estimated amount of unexecuted capital contracts[(2)]	721,723	2,727,601
(Net of advances and deposits)		
Other commitments[(3)]	43,935,445	9,302,067

(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,	
		2023	2022
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited[(2)]	India	Holding company	Holding company

Fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)	China
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China
Infosys (Czech Republic) Limited s.r.o.	Czech Republic
Infosys Luxembourg S.a.r.l	Luxembourg
Infosys Consulting AG[(3)]	Switzerland
oddity code d.o.o [(7)]	Serbia
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.	Romania
Infosys Automotive and Mobility GmbH & Co. KG[(6)]	Germany
Infy Consulting Company Ltd[(3)]	U.K.
Infosys Consulting (Belgium) NV[(4)]	Belgium
Infosys Compaz Pte. Ltd [(5)]	Singapore

(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) Wholly-owned subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys Consulting Holding AG

(4) Majority owned and controlled subsidiary of Infosys Consulting Holding AG

(5) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(6) On March 28, 2021, Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(7) Wholly-owned subsidiary of oddity code GmbH.

The details of amounts due to or due from related parties as at March 31, 2023, March 31, 2022 are as follows:

(In PLN)

Particulars	As at March 31,	
	2023	2022
Loans to subsidaries		
Infosys Technologies (China) Co. Limited	22,641,415	21,000,565
Infosys Automotive and Mobility GmbH & Co. KG	33,239,553	79,861,533
Infosys Technologies (Shanghai) Company Limited	26,401,311	24,637,681
Infosys Consulting Pte. Ltd	51,940,897	27,959,465
	134,223,176	153,459,244
Trade receivables		
Infosys Limited	12,344,687	7,490,387
Infosys BPM Limited	800,253	900,219
Infosys Consulting AG	2,775,235	18,182
Infosys Consulting GmbH	308,129	434,942
Infosys Luxembourg S.à.r.l	138,260	102,916
	16,366,564	8,946,646

Particulars	As at March 31,	
	2023	2022
Other Receivables		
Infosys Limited	31,422	28,779
Infosys BPM Limited	221,745	160,581
	253,167	189,360
Trade payables		
Infosys BPM Limited	91,429	142,368
Infy Consulting Company Limited	188,526	–
Infosys (Czech Republic) Limited s.r.o.	11,418	46,371
Infosys Technologies China	1,687	–
Infosys Consulting Romania	28,418	64,114
	321,478	252,853
Other Payables		
Infosys Limited	1,351,838	814,779
Infosys BPM Limited	–	6,750
Infosys Automotive and Mobility GmbH & Co. KG	8,471,993	–
	9,823,831	821,529
Provision for expenses		
Infosys Limited	1,882,638	1,593,384
Infosys Technologies China	–	21,976
	1,882,638	1,615,360

Details of related party transactions entered into by the Company are as follows:

(In PLN)

Particulars	Years ended March 31,	
	2023	2022
Revenue transactions:		
Purchase of services		
Infosys BPM Limited	1,346,165	1,600,329
Infosys Limited	775,893	1,552,433
Infosys (Czech Republic) Limited s.r.o.	473,956	100,545
Infy Consulting Company Ltd	355,154	142,587
Infosys Consulting Romania	468,683	318,935
Infosys Technologies China	83,361	21,917
Oddity Code D.O.O	11,102	–
	3,514,314	3,736,746
Sale of services		
Infosys Limited	117,200,736	66,040,217
Infosys BPM Limited	10,694,489	11,848,690
Infosys Consulting AG	10,827,954	674,664
Infosys Luxembourg S.à.r.l	1,079,470	450,728
Infosys Consulting GmbH	5,254,573	5,315,103
Infosys Compaz Pte. Ltd	–	156,924
	145,057,222	84,486,326
Interest income		
Infosys Technologies (Shanghai) Company Limited	1,181,693	409,518
Infosys Technologies (China) Co. Limited	1,121,509	173,529

Particulars	Years ended March 31,	
	2023	2022
Infosys Automotive and Mobility GmbH & Co. KG	3,122,100	762,042
Infosys Consulting Pte. Ltd	1,269,520	46,528
	6,694,822	1,391,617
Sale of shared services including facilities and personnel		
	1,923	–
	1,923	–
Purchase of shared services including facilities and personnel		
Infosys Limited	631,253	405,731
Infosys Automotive and Mobility GmbH & Co. KG	6,236,778	–
	6,868,031	405,731

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	Years ended March 31,	
	2023	2022
Salaries and other employee benefits to whole-time directors and executive officers(1)	433,160	434,986
Total	433,160	434,986

(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.

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.

2.25 Analytical ratios

The following are certain analytical ratios for the year ended March 31, 2023, and March 31, 2022:

Particulars	Numerator	Denominator	Years ended March 31, 2023	Years ended March 31, 2022	% of Varianace
Current ratio	Current assets	Current liability	2.1	2.0	5%
Debt – equity ratio	Total debt[(1)]	Shareholder's equity	0.2	0.2	0.0%
Debt service coverage ratio	Earnings available for debt service[(2)]	Debt service[(3)]	5.7	5.0	14%
Return on eEquity (ROE)	Net profits after taxes	Average shareholder's equity	10.6%	17.1%	(6.5%)
Trade receivables turnover ratio[(5)]	Net credit revenue	Average accounts receivable	5.1	4.0	27.5%
Trade payables turnover ratio[(6)]	Net credit purchase of services/ consumables	Average trade payables	27.8	19.4	43.3%
Net capital turnover ratio	Net sales	Working capital	3.0	3.1	(3.2%)
Net profit ratio	Net profit	Net sales	7.1%	12.8%	(5.7%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[(4)]	16.6%	20.8%	(4.2%)
Return on investment unquoted[(7)]	Income from investments	Time weighted average investments	(30.5%)	75.2%	(140.6%)

(1) Debt represents lease liabilities

(2) Net profit after taxes + non-cash operating expenses + interest + other adjustments like loss on sale of Fixed assets etc.

(3) Lease payments for the current year

(4) Tangible net worth + deferred tax liabilities + lease liabilities

During the year ended March 31, 2023, there is a variance of more than 25% compared to previous year in

(5). Trade Receivables turnover ratio increased due to improvement in DSO

(6) Trade Payable turnover ratio improved due to timely payment to the Payables

(7) Unquoted Return on Investment (ROI) due to fair valuation loss on Tidal Sacle

Anup Kapoor
Director

Arindam Roy Chowdhury
Director

Bengaluru

June 2, 2023

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Portland Group Pty. Ltd.

Independent Auditor's Report

To the Board of Directors of Portland Group Pty. Ltd.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Portland Group Pty Ltd (the "Company") which comprises the statement of financial position as at 31 March 2023, 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 31 March 2023 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 31 March 2023, 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 31, 2023

Directors' Report

For the year ended March 31, 2023

The Directors present their report together with the financial report of Portland Group Pty Ltd (the Company), for the financial year ended March 31, 2023 and the Auditor's Report thereon.

1. Directors

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

Mr. Andrew James Jarvis

Mr. Andrew Stewart Groth

Mr. Abhay Harigobind Das Chauhan

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

2. Principal activities

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

3. Dividends

The Board of Directors, in their meeting on April 12, 2023, declared and paid a final dividend of $9,772,000 for the financial year ended March 31, 2023.

4. Operating and financial review

The profit after tax for the year ended March 31, 2023 amounted to $4,951,223 (2022: profit after tax of $2,806,543). This was primarily a result of increase of revenue from $36,759,629 for the year ended March 31, 2022 to $56,033,417 for the year ended March 31, 2023.

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 on page 29 and forms part of the directors' report for the financial year ended March 31, 2023.

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:

Abhay Chauhan
Director

Dated at Sydney this 31st day of May 2023

Statement of Financial Position

(In AUD)

Particulars	Note	As at March 31, 2023	2022
Assets			
Current assets			
Cash and cash equivalents	12a	22,564,144	14,851,954
Trade and other receivables	10	14,226,385	11,589,835
Other current assets	11c	113,919	67
Prepayments	11a	1,046,486	1,444,932
Total current assets		37,950,933	27,886,788
Non-current assets			
Deferred tax assets	16a	514,072	576,973
Property, plant and equipment	13	157,264	76,264
Right-of-use assets	19	1,132,761	1,313,578
Other non-current assets	11d	349,679	–
Trade and other receivables	10	870,606	1,819,761
Prepayments	11b	1,344	406,107
Total non-current assets		3,025,726	4,192,683
Total assets		40,976,659	32,079,471
Liabilities			
Current liabilities			
Trade and other payables	14	3,260,648	803,695
Lease liabilities	19	555,565	377,412
Other current liabilities	15	12,298,506	12,422,372
Current tax liabilities (net)		119,450	16,236
Provisions	17	24,770	25,935
Employee benefit obligations	18	4,847,892	2,909,680
Total current liabilities		21,106,831	16,555,330
Non-current liabilities			
Lease liabilities	19	997,637	996,791
Employee benefit obligations	18	549,847	586,084
Other non-current liabilities	15	1,842,169	2,412,314
Total non-current liabilities		3,389,653	3,995,189
Total liabilities		24,496,484	20,550,519
Net Assets		16,480,175	11,528,952
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		13,091,126	8,139,903
Total equity		16,480,175	11,528,952
Total liabilities and equity		40,976,659	32,079,471

The notes on page 9 to 27 are an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income

(In AUD)

Particulars	Note	Years ended March 31, 2023	2022
Revenue	5	56,033,417	36,759,629
Cost of sales	6	(47,364,332)	(31,255,875)
Gross profit		8,669,085	5,503,754
Selling and distribution expenses		(115,739)	(28,274)
Administrative expenses		(1,705,528)	(1,380,102)
Operating profit		6,847,818	4,095,378
Finance income	7	306,831	68,389
Finance costs	9	(79,416)	(63,972)
Net finance income		227,415	4,417
Profit before tax		7,075,233	4,099,795
Income tax expense	16b & c	(2,124,010)	(1,293,252)
Profit after tax		4,951,223	2,806,543
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		4,951,223	2,806,543

The notes on page 9 to 27 are an integral part of these financial statements

Statement of Changes in Equity

For the year ended March 31, 2023 and March 31, 2022

(In AUD)

Particulars	Share capital	Retained earnings	Total equity
Balance as on April 1, 2021	3,389,049	23,333,360	26,722,409
Total other comprehensive income	–	–	–
Profit for the year	–	2,806,543	2,806,543
Total Comprehensive Income	–	26,139,903	29,528,952
Transactions with owners of the Company	–		
Issue of ordinary shares	–	–	–
Dividends	–	(18,000,000)	(18,000,000)
Total transactions with owners of the Company	–	(18,000,000)	(18,000,000)
Balance at March 31, 2022	3,389,049	8,139,903	11,528,952
Balance as on April 1, 2022	3,389,049	8,139,903	11,528,952
Total other comprehensive income	–	–	–
Profit for the year	–	4,951,223	4,951,223
Total comprehensive income	3,389,049	13,091,126	16,480,175
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	–	–
Total transactions with owners of the Company	–	–	–
Balance at March 31, 2023	3,389,049	13,091,126	16,480,175

The notes on page 9 to 27 are an integral part of these financial statements

Statement of Cash Flows

(In AUD)

Particulars	Note	Years ended March 31, 2023	Years ended March 31, 2022
Cash flows from Operating activities			
Cash receipts from customers (inclusive of GST)		59,000,211	35,327,662
Cash paid to suppliers and employees		(49,669,924)	(31,083,358)
Cash generated from Operations		9,330,287	4,244,304
Interest received		306,831	23,552
Net Income taxes paid		(1,957,898)	(1,785,600)
Net cash from operating activities	12b	7,679,220	2,482,256
Cash flows from Investing activities			
Interest received on deposit with bank	7	146,310	–
Interest Income on loan to Subsidiary	7	115,807	–
Finance Income under revenue deals	7	5,587	–
Purchase of plant equipment	13	(154,362)	(66,651)
Net cash used in investing activities		113,342	(66,651)
Cash flows from Financing Activities:			
Payment of lease liability	19	(80,372)	(377,863)
Dividends paid		–	(18,000,000)
Net cash used in financing activities		(80,372)	(18,377,863)
Net increase/(decrease) in cash and cash equivalents		7,712,190	(15,962,258)
Cash and cash equivalents at April 1		14,851,954	30,814,212
Cash and cash equivalents as at March 31	12a	22,564,144	14,851,954

The notes on page 9 to 27 are an integral part of these financial statements

Notes to the financial statements

1. Reporting entity

Portland Group Pty Ltd (the "Company") is 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 Ltd., 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. Simplified disclosure regime (SDR) has been adopted in the preparation of these financial statements.

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

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

The annual financial statements were approved by the Board of Directors on the date of signing of the directors report.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

(e) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending March 31, 2023 are:

(i) Recognition of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(ii) 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 (Refer to Note no. 19).

(iii) 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.

Fixed Price

Revenue from fixed-price, fixed-time frame 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 using input method such as efforts expended, time elapsed or costs incurred.

(a) Maintenance

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

(b) Non-Maintenance

Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

(i) 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 AASB15 to account for revenues from these performance obligations. ATS revenue is recognised ratably over the period in which the services are rendered.

(ii) 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).

Time & Material

Revenue on time-and-material contracts are recognised using output method such as hours of service provided or units delivered or serviced. Revenue from the end of the last invoicing to the reporting date is recognised 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.

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.

Unbilled/Unearned

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

Tax

The Company presents revenues net of indirect taxes in its Statement of Profit and loss and other comprehensive income.

(b) Contracts in progress

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

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

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

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

(c) Foreign currency transactions

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

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

(d) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(iii) Other long-term employee benefits

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

(iv) Termination benefits

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

(e) Income tax

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

(iii) Tax exposures

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

(f) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Particulars	2023
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 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.

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 Right-of-use 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 reclassification 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, 2023. The Company has not yet assessed any material impact of these the new or amended Accounting Standards and Interpretations.

(i) New and revised IFRS Standards in issue but not yet effective

Date issued	Standard/Amendment	Effective for annual reporting periods beginning on or after
Jul-17	AASB 17 Insurance Contracts (as amended)	April 1, 2023
Various	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	April 1, 2023
March 2020 / August 2020	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	April 1, 2023
Mar-21	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	April 1, 2023
Jun-21	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	April 1, 2023
Mar-23	AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	April 1, 2023

5. Revenue

(In AUD)

Particulars	As at March 31, 2023	2022
Related party revenue	18,205,719	6,106,974
Third party revenue (Principal)	37,827,698	30,652,655
Third party revenue (Agent)	–	–
	56,033,417	36,759,629

At March 31, 2023 the Company has deferred revenue of $1,684,513 (2022: $2,425,488), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of $5,548,243 (2022: $7,684,907).

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 AUD)

Particulars	As at March 31, 2023	2022
Fixed Price	25,808,606	25,730,128
Time & Materials	30,224,811	11,029,501
Total	56,033,417	36,759,629

Revenues by period of recognition

(In AUD)

Particulars	As at March 31, 2023	2022
Over the period	40,495,843	26,840,901
Point in time	15,537,574	9,918,728
Total	56,033,417	36,759,629

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 AUD)

Particulars	As at March 31, 2023	2022
Employee benefit expense	23,076,099	11,376,254
Cost of third party software	19,415,511	16,879,908
External contractor expense and others	4,872,722	2,999,713
	47,364,332	31,255,875

7. Finance Income

(In AUD)

Particulars	As at March 31, 2023	2022
Interest income from deposits with banks	146,310	–
Interest income on prepaid contract cost	39,127	23,552
Interest Income on loan to Subsidiary	115,807	–
Finance Income under revenue deals	5,587	–
Miscellaneous Income	–	44,837
	306,831	68,389

8. Auditors' remuneration

(In AUD)

Particulars	As at March 31, 2023	2022
Audit of financial statements – Deloitte Touche Tohmatsu	28,350	23,650
	28,350	23,650

9. Expenses by nature

(In AUD)

Particulars	As at March 31, 2023	2022
Depreciation	73,361	65,166
Employee benefits	24,010,430	12,084,403
Rental expenses	–	1,342
Amortisation on ROU assets	399,900	333,667
Interest expenses on leases liability	40,289	40,421
Finance Expense under revenue deals	39,127	–

10. Trade and other receivables

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables	3,211,400	5,279,102
Unbilled revenue	5,857,505	5,865,146
	9,068,905	11,144,248
Amounts due from related party (Trade receivables, Other receivables & Unbilled revenue - Note 23)	5,157,480	445,587
	14,226,385	11,589,835
Non-Current		
Unbilled revenue	870,606	1,819,761
	870,606	1,819,761

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 nil and AUD 8,307 exist as on March 31, 2023 and March 31, 2022 respectively. Also, an exposure to credit risk from trade receivables and unbilled revenue amounting to AUD 53,787 and AUD 164,079 exist as on March 31, 2023 and March 31, 2022 respectively.

11.a. Prepayments (current)

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	584,257	892,448
Loans and advances to employees	44,811	11,008
Prepaid contract cost	417,417	541,476
	1,046,485	1,444,932

11.b. Prepayments (non-current)

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,344	–
Prepaid Contract cost	–	406,107
	1,344	406,107

11.c. Other current assets

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to PF trust	–	67
Interest Accrued not Due FD	5,622	–
GST Payable	76,046	–
Other current assets	32,251	–
	113,919	67

11.d. Other non-current assets

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in lease	349,679	–
	349,679	–

12.a. Cash and cash equivalents

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash at Bank	22,564,144	14,851,954
	22,564,144	14,851,954

12.b. Cash flows from operating activities

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Reconciliation of Cash flow from Operations with Profit after Income Tax	4,951,223	2,806,543
Adjustments for:		
Depreciation & Amortization	473,261	398,833
Deferred tax assets	62,902	(32,551)
Net tax assets (liabilities)	103,214	(459,797)
Finance cost	79,416	63,972
	5,670,016	2,777,000
Changes in:		
Trade and other receivables	(2,636,550)	(5,107,931)
Other current and non-current assets	485,624	538,613
Prepayments	803,208	(1,528,570)

Particulars	As at March 31,	
	2023	2022
Trade and other payables	2,456,954	465,839
Other Current and non-current liabilities	(694,012)	5,045,227
Provisions	(1,165)	(50,098)
Employee benefits obligation	1,901,975	363,729
Finance Income	(306,831)	(23,552)
Loss on sale of assets	–	1,999
Net cash from operating activities	7,679,220	2,482,256

13. Property, plant and equipment

(In AUD)

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2021	22,459	92,417	570,004	684,880
Additions	5,534	–	61,117	66,651
Disposals	(1,479)	(31,810)	(1,648)	(34,937)
Balance at March 31, 2022	26,514	60,607	629,473	716,594
Balance at April 1, 2022	26,514	60,607	629,473	716,594
Additions	–	–	154,361	154,362
Disposals	(2,591)	(7,550)	(265,464)	(275,605)
Balance at March 31, 2023	23,923	53,057	518,370	595,351
Accumulated Depreciation				
Balance at April 1, 2021	19,163	89,862	499,076	608,101
Depreciation	1,499	1,046	62,621	65,166
Disposals	(988)	(30,301)	(1,648)	(32,937)
Balance at March 31, 2022	19,674	60,607	560,049	640,330
Balance at April 1, 2022	19,674	60,607	560,049	640,330
Depreciation	1,748	–	71,614	73,362
Disposals	(2,591)	(7,550)	(265,464)	(275,606)
Balance at March 31, 2023	18,831	53,057	366,199	438,086
Carrying Amounts				
At March 31, 2022	6,840	–	69,424	76,264
At March 31, 2023	5,092	–	152,171	157,264

14. Trade and other payables

(In AUD)

Particulars	As at March 31,	
	2023	2022
Trade payables	811,758	667,785
Amounts due to related party	2,448,890	135,910
	3,260,648	803,695

15. Other current liabilities

(In AUD)

Particulars	As at March 31, 2023	2022
Accrued expenses - cost of third-party software	9,076,469	8,008,164
Accrued expenses - others	693,320	922,859
Deferred revenue	1,684,513	2,425,488
Withholding taxes payable	54,077	403,232
Accrued expenses - Inter-Company	394,147	295,994
Financial Liabilities under revenue deals (current)	395,137	366,635
Loans and Advances to Employees	843	–
	12,298,506	12,422,372
Non-Current		
Accrued expenses - cost of third-party software	1,562,627	1,732,214
Financial Liabilities under revenue deals (non-current)	279,541	680,100
	1,842,168	2,412,314

16. Tax assets and liabilities

(a) Deferred tax assets

(In AUD)

Particulars	As at March 31, 2023	2022
Deferred tax assets due to timing differences:		
Provision for doubtful debts	16,792	52,152
Provision for Employee benefits	492,446	517,224
Provision for post-sale customer support	7,431	7,597
Deferred tax liabilities	(2,597)	–
Net Deferred tax assets	514,072	576,973

(b) Reconciliation of effective tax rate

(In AUD)

Particulars	As at March 31, 2023	2022
Profit before tax	7,075,233	4,099,795
Tax using the Company's domestic tax rate of 30% (2021: 30%)	2,122,570	1,229,939
Adjustments in respect of prior years	(49,335)	45,643
Non-deductible expenses	50,775	17,670
Income tax expense for the period	2,124,010	1,293,252

(c) Income tax expense

(In AUD)

Particulars	As at March 31, 2023	2022
Corporation income tax		
Current year	2,110,446	1,280,159
Adjustments in respect of prior years	(49,335)	45,643
	2,061,111	1,325,802
Deferred tax expense		
Origination and reversal of temporary differences	62,899	(32,550)
Write down of previously recognized deferred tax assets	–	–
Income tax expense for the period	62,899	(32,550)
Total income tax expense	2,124,010	1,293,253

17. Provisions

(In AUD)

Particulars	As at March 31, 2023	2022
Provision for post service client support	24,770	25,935
	24,770	25,935
The movement in provisions is as follows :	2023	2022
Balance at the beginning	25,935	76,033
Provision recognized/ (reversed)	(1,165)	(50,098)
Balance at the end	24,770	25,935

18. Employee Benefit Obligations

(In AUD)

Particulars	As at March 31, 2023	2022
Current		
Provision for employee bonuses	3,756,250	1,771,688
Annual leave	781,158	835,021
Long service leave	310,484	302,971
	4,847,892	2,909,680
Non-Current		
Long service leave	549,847	586,084
	549,847	586,084

19. Leases

Leases as lessee

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

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,313,578	704,720
Additions	308,509	942,525
Deletions	(89,426)	–
Amortization	(399,900)	(333,667)
Closing Balance	1,132,761	1,313,578

The following is the movement in lease liabilities during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,374,203	769,120
Additions	308,509	1,302,120
Deletions	(89,426)	(359,595)
Finance cost accrued during the year	40,289	40,421
Payment of lease liabilities	(80,372)	(377,863)
Closing Balance	1,553,203	1,374,203

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

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	555,565	377,412
Non-current lease liabilities	997,638	996,791
Total	1,553,203	1,374,203

The details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31,2022 on an undiscounted basis are as follows:

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	528,587	367,832
One to five years	1,009,346	1,035,327
More than five years	–	–
Total	1,537,933	1,403,159

20. Key management personal compensation

Key Management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors of the Company are considered as Key management personnel of the Company. Further, the amounts disclosed does not include employment benefits recognized based on the actuarial valuation since they are computed for the Company as a whole and not at individual basis.

The employee compensation is as follows :

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term employee benefits	794,205	564,001

21. Financial instruments

Financial instruments by Category

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Cash and cash equivalents	22,564,144	14,851,954
Trade and other receivables	14,787,729	13,409,596
Other current assets	113,919	67
	37,465,792	28,261,618
Financial liabilities		
Lease Liability	1,553,202	1,374,203
Trade and other payables	3,260,648	803,695
Other financial liabilities	11,386,484	11,066,468
	16,200,335	13,244,366

22. Contingent liabilities and Financing facilities

a. Contingent liabilities

In the opinion of the management, there are no contingent liabilities as at March 31, 2023 (2022 - Nil)

b. Financing facilities

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured bank guarantee facility reviewed annually and payable		
at call-Amount used	293,432	293,432
	293,432	293,432

23. Related party transactions

The details of the related party transactions entered into by the Company during the year ended 31st March 2023 and 31st March 2022 are as follows:

(In AUD)

Particulars	As at March 31, 2023	As at March 31, 2022
Purchase of services		
Infosys Limited	102,096	583,838
Infosys BPM Limited	1,057,342	601,922
Infosys (Czech Republic) Ltd	93,168	–
Infosys Technologies China	15,027	–
	1,267,633	1,185,760

Particulars	As at March 31,	
	2023	2022
Sale of services		
Infosys Limited	17,006,637	3,799,383
Infosys BPM Limited	1,199,082	2,305,546
Hipus Co., Ltd	–	2,045
	18,205,719	6,106,974
Purchase of shared services		
Infosys Limited	132,960	134,678
	132,960	134,678
Sale of shared services		
Infosys Limited	60,464	70,205
Infosys Management Consulting Pty Limited	–	1,948
	60,464	72,153

The details of the amount due to or due from the related parties as at March 31, 2023 and March 31, 2022 are as follows

(In AUD)

Particulars	As at March 31,	
	2023	2022
Trade receivables		
Infosys Limited	5,014,219	237,888
Infosys BPM Limited	109,366	202,157
	5,123,585	440,045
Other receivables		
Infosys Limited	5,543	5,542
Infosys BPM Limited	28,353	–
	33,896	5,542
Trade payables		
Infosys BPM Limited	182,762	59,213
Infosys (Czech Republic) Ltd	61,025	–
Infosys Technologies China	9,017	–
	252,804	59,213
Other payables		
Infosys Limited	91,640	76,697
Infosys Automotive and Mobility	2,104,447	–
	2,196,087	76,697
Accrued Expense		
Infosys Limited	394,147	295,994
	394,147	295,994

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 AUD)

Particulars	As at March 31,	
	2023	2022
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 AUD)

Particulars	As at March 31,	
	2023	2022
Dividend Declared and Paid	–	18,000,000
	–	–

Dividend franking account

(In AUD)

Particulars	As at March 31,	
	2023	2022
30 per cent franking credits available to shareholders of Portland Group Pty Ltd for subsequent financial years	5,215,875	3,022,102
	5,215,875	3,022,102

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 recognised as a liability at the year-end;

c. franking credits that will arise from the receipt of dividends recognised 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. Please refer note 2 (e) 'Assumptions and estimation uncertainties' for the COVID 19 pandemic disclosure. The Board of Directors, in their meeting on April 12, 2023, declared a final dividend of $9,772,000 (not franked) for the financial year ended March 31, 2023.

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, set out on page 5 to 27, 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 31st March 2023 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.

Abhay Chauhan
Director

Dated at Sydney this 31st day of May 2023

Infosys BPO Americas LLC

Independent Auditors' Report

The Board of Directors Infosys BPO Americas LLC

Opinion

We have audited the accompanying financial statements of Infosys BPO Americas LLC (the Company), which comprise the balance sheets as of March 31, 2023, the related statements of comprehensive income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company for the year ended March 31, 2022 were audited by another auditor, whose report dated April 30, 2022, expressed an unmodified opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for within one year after the date that the financial statements are issued or available to be issued.

Auditor's responsibility 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Rakesh Jain, CPA PC
Certified Public Accountants

Houston, TX
Date: May 16, 2023

Balance Sheet

(In US$)

Particulars	As at March 31, 2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	3,512,052	4,616,808
Accounts receivables, net of doubtful balances	1,981,365	2,226,324
Unbilled revenue	734,132	1,912,785
Income tax assets	15,914	-
Prepayments and other assets	58,562	83,816
Total current assets	6,302,025	8,839,733
Non-current assets		
Deferred tax assets	21,288	4,640
Plant and equipment	118,785	15,350
Prepayments and other assets	–	10,677
Total non-current assets	140,073	30,667
Total assets	6,442,098	8,870,400
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	110,201	3,144,311
Unearned revenue	–	66,391
Provisions	20,408	57,133
Income tax liabilities	–	9,502
Other liabilities	1,790,839	4,060,628
Total current liabilities	1,921,448	7,337,965
Total liabilities	1,921,448	7,337,965
MEMBER'S EQUITY		
Member's equity	17,750,000	17,750,000
Accumulated deficit	(13,229,350)	(16,217,565)
Total member's equity	4,520,650	1,532,435
Total liabilities and member's equity	6,442,098	8,870,400

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Statements of Comprehensive Income

(In US$)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue	14,864,999	22,143,204
Cost of revenue	11,212,005	31,120,642
Gross Profit/ (loss)	3,652,994	(8,977,438)
Other expenses:		
Selling and marketing expenses	–	5,035
Administrative expenses	340,087	312,206
Total other expenses	340,087	317,241
Operating Profit/ (loss)	3,312,907	(9,294,679)
Miscellaneous income	(51,780)	628
Profit/ (loss) before income taxes	3,364,687	(9,295,307)
Income tax expense	375,464	4,862
Net profit/ (loss)	2,989,223	(9,300,169)
Other comprehensive income	(1,008)	(124)
Total comprehensive income/ (loss)	2,988,215	(9,300,293)

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

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, 2021	1,000,000	7,000,000	(6,917,272)	1,082,728
Changes in members equity for the period ended March 31, 2022				
Shares issued to member	–	9,750,000	–	9,750,000
Net loss for the year	–	–	(9,300,293)	(9,300,293)
Balance as at March 31, 2022	1,000,000	16,750,000	(16,217,565)	1,532,435
Balance as at April 1, 2022	1,000,000	16,750,000	(16,217,565)	1,532,435
Changes in members equity for the period ended March 31, 2023				
Shares issued to member	–	–	–	–
Net Profit for the year	–	–	2,988,215	2,988,215
Balance as at March 31, 2023	1,000,000	16,750,000	(13,229,350)	4,520,650

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Statement of Cash Flows

(In US$)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Net profit/ (loss) for the year	2,989,223	(9,300,169)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	375,464	4,862
Provision for service level risk on revenue contracts	(36,724)	4,525
Allowance for doubtful accounts	6,095	32,568
Depreciation	53,066	11,216
Exchange difference	(13,676)	506
Cash operating income/ (loss)	3,373,448	(9,246,492)
Changes in assets and liabilities		
Accounts receivable	255,745	1,169,605
Prepayments and other assets	(3,228)	(2,002)
Unbilled revenues	1,214,609	786,529
Trade payables	(3,034,110)	1,780,915
Unearned revenue	(66,391)	66,391
Other liabilities and provisions	(2,275,221)	(96,343)
Income taxes paid	(413,107)	–
Net cash used in operating activities	(948,255)	(5,541,397)
Cash flows from investing activities		
Expenditure on property, plant and equipment	(156,501)	–
Net cash used in investing activities	(156,501)	-
Cash flows from financing activities		
Capital infusion	–	9,750,000
Net cash generated in financing activities	–	9,750,000
Net changes in cash and cash equivalents	(1,104,756)	4,208,603
Cash and cash equivalents at the beginning of the period	4,616,808	408,205
Cash and cash equivalents at the end of the year	3,512,052	4,616,808
Supplementary information:		
Interest paid during the period	–	–

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Notes to the Financial Statements for the year ended March 31, 2023

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, Infosys BPO Limited), a subsidiary of Infosys Limited.

1.2 Basis of preparation of financial statements

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

1.3 Use of estimates

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

1.4 Revenue recognition

Revenue from mortgage fulfillment 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
Plant and machinery	5 years
Furniture and fixtures	5 years
office equipments	5 years
Leasehold improvements	Over lease term or 5 years which ever is lower

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 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, 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, 2023, 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,	
	2023	2022
-Current account	3,512,052	4,616,808

4. Cost of revenue

(In US$)

Particulars	For years ended March 31,	
	2023	2022
Salaries	10,430,187	24,689,416
Subcontractor charges	205,440	5,896,609
Others	576,378	534,617
Total	11,212,005	31,120,642

5. Other Expenses

(In US$)

Particulars	For years ended March 31,	
	2023	2022
Legal and professional charges	56,688	61,504
Others(Salaries, insurance, rates and taxes)	283,399	255,737
Total	340,087	317,241

6. Related party transactions

Name of the related party and their relationships:

Holding Company- Infosys BPM Limited (formerly, IBPO Limited)

The details of the related party transactions entered into by the Company during the years ended March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	As at March 31,	
	2023	2022
Unbilled revenues		
Infosys BPM Limited	44,875	–
	44,875	–
Other receivables		
Infosys BPM Limited	751	7,030
	751	7,030
Trade payables		
Infosys BPM Limited	1,857	1,515,510
Infosys Limited	14,198	1,509,931
	16,055	3,025,441
Other payables		
Infosys BPM Limited	123,272	4,148
Infosys McCamish	8,992	869
	132,263	5,017
Provision for expenses		
Infosys Limited	–	57,014
	–	57,014

The details of related party transactions as at March 31, 2023 and March 31, 2022 are as follows:

(In US$)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital transactions:		
Capital Infusion		
Infosys BPM Limited	–	9,750,000
	–	9,750,000
Revenue transactions:		
Purchase of services		
Infosys BPM Limited	403,939	2,030,096
Infosys Limited	5,527	2,368,690
	409,466	4,398,786
Purchase of shared services		
Infosys BPM Limited	1,237	–
Infosys Limited	75,194	57,074
Infosys McCamish	42,918	115,876
	119,349	172,949

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

Vasudeva Maipady
Authorized Signatory

Date: May 16, 2023

Infosys BPM UK Limited

Independent Auditor's Report

To the Members of Infosys BPM U K Limited

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Infosys BPM U K Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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"). The special purpose financial statements are prepared for inclusion in the annual report of the Holding Company Infosys Limited under the requirements of section 129 (3) of the Companies Act 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give 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, 2023, 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 Management is 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 Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objective is 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.

UDIN: 23202841BGWLUJ3684

For Shenoy & Kamath
Chartered Accountants.
Firm Registration Number. 006673S

M. Rathnakar kamath
Partner
Membership Number. 202841

Place: Bengaluru

Date: May 20,2023

Balance Sheet as at

(In GBP)

Particulars	Note No.	As at March 31, 2023
Assets		
Current assets		
Financial assets :		
Cash and cash equivalents	2.1	81,400
Other current assets	2.3	4,810
Total current assets		86,210
Total assets		86,210
Equity and liabilities		
Equity		
Equity share capital	2.2	100,000
Other equity		(18,290)
Total equity		81,710
Liabilities		
Current liabilities		
Financial liabilities:		
Other financial liabilities	2.4	4,500
Total current liabilities		4,500
Total equity and liabilities		86,210

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's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Statement of Profit and Loss for the

(In GBP)

Particulars	Note No.	Year ended March 31, 2023
Revenue from operations		–
Other income, net		–
Total income		–
Expenses		
Cost of technical sub-contractors and professional charges	2.5	6,000
Other expenses	2.5	12,290
Total expenses		18,290
Loss for the period		(18,290)
Total other comprehensive income, net of tax		–
Total comprehensive income / (loss) for the period		(18,290)

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's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Statement of changes in equity

(In GBP)

Particulars	Equity share capital	Other equity Reserves & surplus Retained earnings	Total equity attributable to equity holders of the company
Balance as at April 01, 2022	–	–	–
Changes in equity for the year ended March 31, 2023			
Capital Infusion during the period	100,000	–	100,000
Loss for the period	–	(18,290)	(18,290)
Balance as at March 31, 2023	100,000	(18,290)	81,710

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's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

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 group are segregated. The Group considers all highly liquid investments, that are readily convertible to known amounts of cash, to be cash equivalents.

(In GBP)

Particulars	Year ended March 31, 2023
Cash flows from operating activities :	
Loss for the period	(18,290)
Changes in assets and liabilities	
Loans, other financial assets and other assets	(4,810)
Other financial liabilities, other liabilities and provisions	4,500
Net cash used in operating activities	(18,600)
Cash flows from investing activities :	–
Cash flow from financing activities :	
Capital infusion	100,000
Net cash generated from financing activities	100,000
Net decrease in cash and cash equivalents	81,400
Cash and cash equivalents at the beginning	–
Cash and cash equivalents at the end	81,400
Supplementary information:	
Restricted cash balance	–

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's Registration Number: 006673S

M Ratnakar Kamath
Partner
Membership No. 202841

Place: Bengaluru
Date: May 20, 2023

for and on behalf of the Board of Directors of
Infosys BPM UK Limited

Ritesh Gandhi
Director

Notes to the financial statements for the year ended March 31, 2023

1. Company overview

1.1 Company overview

Infosys BPM UK Limited (the 'Company') is incorporated to provide services that would involve in carrying UK-regulated activities, and hence would require us to be authorized by the Financial Conduct Authority (FCA).

The Company was formed on December 09, 2020 as a private limited company under the registrar of companies for England and Wales. 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

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 and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied, 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 Reporting currency

The Company's reporting currency is the Great Britain Pound (GBP).

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind-AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

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.

Previous year figures :

On May 05, 2022, the Holding company has infused capital amounting to GBP 100,000 and there are no other transactions preceding that. Hence, comparative data for previous year is not presented in the financial statements.

1.5 Foreign currency

Functional currency

The functional currency of the Company is the Great Britain Pound. These financial statements are presented in GBP

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 net profit 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 the 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.

1.6 Cash flow statement

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.

2. Member's equity

As at March 31, 2023, the Company had one member, Infosys BPM Limited (the "Member"). The Member owns 100% of the interests of the Company.

2.1 Cash and cash equivalents

(In GBP)

Particulars	As at March 31, 2023
Current account	81,400

2.2 Equity share capital

(In GBP)

Particulars	As at March 31, 2023
Authorized equity shares, GBP 1 par value 100,000 equity shares	100,000
Issued, subscribed and paid-up equity shares, GBP 1 par value 100,000 equity shares	100,000

2.3 Other current assets

(In GBP)

Particulars	For the year ended March 31,2023
Prepaid expenses	4,510
VAT and others	300
Total	4,810

2.4 Other financial liabilities

(In GBP)

Particulars	For the year ended March 31,2023
Provision for expenses	4,500
Total	4,500

2.5 Expenses

(In GBP)

Particulars	For the year ended March 31,2023
Legal and professional charges	6,000
Insurance charges	12,290
Total	18,290

2.6 List of related parties :

Name of related parties	Country	Holding as at March 31, 2023
Holding company		
Infosys BPM Limited	India	100%
Ultimate holding company		
Infosys Limited	India	100%

Fellow subsidiaries	Country
Infosys (Czech Republic) Limited s.r.o.[(1)]	Czech Republic
Infosys Poland Sp z.o.o[(1)]	Poland
Infosys BPO Americas LLC.[(1)]	U.S.
Infosys McCamish Systems LLC [(1)]	U.S.
Portland Group Pty Ltd. [(1)]	Australia
Infosys Technologies (China) Co. Limited (Infosys China)[(2)]	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)[(2)]	Mexico
Infosys Technologies (Sweden) AB (Infosys Sweden)[(2)]	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[(2)]	China
Infosys Nova Holdings LLC. (Infosys Nova)[(2)]	U.S.
EdgeVerve Systems Limited (EdgeVerve)[(2)]	India
Infosys Austria GmbH[(2)]	Austria
Skava Systems Private Limited (Skava Systems)[(2)] [(26)]	India
Infosys Chile SpA[(2)]	Chile
Infosys Arabia Limited[(3)] [(26)]	Saudi Arabia
Infosys Consulting Ltda.[(2)]	Brazil

Fellow subsidiaries	Country
Infosys Luxembourg S.a.r.l[(2)]	Luxembourg
Infosys Americas Inc. (Infosys Americas)[(2) (26)]	U.S.
Infosys Public Services, Inc. USA (Infosys Public Services)[(2)]	U.S.
Infosys Canada Public Services Inc[(19) (35)]	Canada
Infosys Consulting Holding AG (Infosys Lodestone)[(2)]	Switzerland
Infosys Management Consulting Pty Limited[(4)]	Australia
Infosys Consulting AG[(4)]	Switzerland
Infosys Consulting GmbH[(4)]	Germany
Infosys Consulting S.R.L.[(2)]	Romania
Infosys Consulting SAS[(4)]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[(4) (34)]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[(4) (30)]	China
Infy Consulting Company Ltd[(4)]	U.K.
Infy Consulting B.V.[(4)]	The Netherlands
Infosys Consulting S.R.L.[(44)]	Argentina
Infosys Consulting (Belgium) NV[(4)]	Belgium
Panaya Inc. (Panaya)[(2)]	U.S.
Panaya Ltd.[(6)]	Israel
Infosys Financial Services GmbH. (formerly Panaya GmbH)[(53)]	Germany
Brilliant Basics Holdings Limited (Brilliant Basics)[(2) (26)]	U.K.
Brilliant Basics Limited[(7) (26)]	U.K.
Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)[(2)]	Singapore
Infosys Middle East FZ LLC[(8)]	Dubai
Fluido Oy[(8)]	Finland
Fluido Sweden AB (Extero)[(11)]	Sweden
Fluido Norway A/S[(11)]	Norway
Fluido Denmark A/S[(11)]	Denmark
Fluido Slovakia s.r.o[(11)]	Slovakia
Infosys Compaz Pte. Ltd[(9)]	Singapore
Infosys South Africa (Pty) Ltd[(8)]	South Africa
WongDoody Holding Company Inc. (WongDoody)[(2) (36)]	U.S.
WDW Communications, Inc[(10) (37)]	U.S.
WongDoody, Inc[(10) (38)]	U.S.
HIPUS Co., Ltd[(9)]	Japan
Stater N.V.[(9)]	The Netherlands
Stater Nederland B.V.[(12)]	The Netherlands
Stater XXL B.V.[(12)]	The Netherlands
HypoCasso B.V.[(12)]	The Netherlands
Stater Participations B.V.[(12)]	The Netherlands
Stater Belgium N.V./S.A.[(13)]	Belgium
Stater Gmbh[(12) (28)]	Germany
Outbox systems Inc. dba Simplus (US)[(15)]	U.S.
Simplus North America Inc.[(16) (27)]	Canada
Simplus ANZ Pty Ltd.[(16)]	Australia

Fellow subsidiaries	Country
Simplus Australia Pty Ltd[17]	Australia
Sqware Peg Digital Pty Ltd[18] [31]	Australia
Simplus Philippines, Inc.[16]	Philippines
Simplus Europe, Ltd.[16] [29]	U.K.
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[11]	U.K.
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[20]	Ireland
Infosys Limited Bulgaria EOOD[2]	Bulgaria
Kaleidoscope Animations, Inc.[15]	U.S.
Kaleidoscope Prototyping LLC[22]	U.S.
GuideVision s.r.o.[14]	Czech Republic
GuideVision Deutschland GmbH[21]	Germany
GuideVision Suomi Oy[21]	Finland
GuideVision Magyarország Kft[21]	Hungary
GuideVision Polska Sp. z.o.o[21]	Poland
GuideVision UK Ltd[21] [26]	U.K.
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[15]	U.S.
Beringer Capital Digital Group Inc[15] [41]	U.S.
Mediotype LLC[23] [41]	U.S.
Beringer Commerce Holdings LLC[23] [41]	U.S.
SureSource LLC[24] [39]	U.S.
Blue Acorn LLC[24] [39]	U.S.
Simply Commerce LLC[24] [39]	U.S.
iCiDIGITAL LLC[25] [40]	U.S.
Infosys Turkey Bilgi Teknolojileri Limited Sirketi[2]	Turkey
Infosys Germany Holding Gmbh[2]	Germany
Infosys Automotive and Mobility GmbH & Co. KG[2]	Germany
Infosys Green Forum[2] [32]	India
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[33]	Malaysia
Infosys Business Solutions LLC[2] [42]	Qatar
Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))[43]	Germany
oddity GmbH [45]	Germany
oddity (Shanghai) Co., Ltd. [46]	China
oddity Limited (Taipei) [46]	Taiwan
oddity space GmbH [45]	Germany
oddity jungle GmbH [45]	Germany
oddity code GmbH [45]	Germany
oddity code d.o.o [47]	Serbia
oddity waves GmbH [45]	Germany
oddity group services GmbH [45]	Germany
Infosys Public Services Canada Inc. [19] [5]	Canda
BASE life science AG [49]	Switzerland
BASE life science GmbH [49]	Germany
BASE life science A/S [48]	Denmark
BASE life science S.A.S [49]	France

Fellow subsidiaries	Country
BASE life science Ltd. [49]	U.K.
BASE life science S.r.l. [49]	Itlay
Innovisor Inc.[49]	U.S.
BASE life science Inc.[49]	U.S.
BASE life science S.L.[49] [50]	Spain
Panaya Germany GmbH [6] [51]	Germany
Infosys Norway [8] [52]	Norway

(1) Wholly-owned subsidiary of Infosys BPM Limited

(2) Wholly-owned subsidiary of Infosys Limited

(3) Majority owned and controlled subsidiary of Infosys Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Incorporated on July 8, 2022

(6) Wholly-owned subsidiary of Panaya Inc.

(7) Wholly-owned subsidiary of Brilliant Basics Holding Limited.

(8) Wholly-owned subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(9) Majority owned and controlled subsidiary of Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.)

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11) Wholly-owned subsidiary of Fluido Oy

(12) Wholly-owned subsidiary of Stater N.V

(13) Majority owned and controlled subsidiary of Stater Participations B.V.

(14) Wholly-owned subsidiary of Infy Consulting Company Limited

(15) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(16) Wholly-owned subsidiary of Outbox Systems Inc.

(17) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(18) Wholly-owned subsidiary of Simplus Australia Pty Ltd

(19) Wholly-owned subsidiary of Infosys Public Services, Inc.

(20) Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(21) Wholly-owned subsidiary of GuideVision s.r.o.

(22) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(23) Wholly-owned subsidiary of Blue Acorn iCi Inc

(24) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(25) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(26) Under liquidation

(27) Liquidated effective April 27,2021

(28) Incorporated on August 4, 2021

(29) Liquidated effective July 20, 2021

(30) Liquidated effective September 1, 2021

(31) Liquidated effective September 2, 2021

(32) Incorporated on August 31, 2021

(33) On December 14, 2021, Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys Limited, acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)."

(34) Liquidated effective December 16, 2021

(35) Liquidated effective November 23, 2021

(36) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021.

(37) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021.

(38) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(39) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(40) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(41) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(42) Incorporated on February 20, 2022

(43) On March 22, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.), a wholly-owned subsidiary of Infosys, Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))."

(44) Infosys Consulting S.R.L. (Argentina) (formerly a Wholly-owned subsidiary of Infosys Consulting Holding AG) became the majority owned and controlled subsidiary of Infosys Limited with effect from April 1, 2022"

[45] On April 20, 2022, Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall")) (a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.)) acquired 100% of voting interests in oddity space GmbH, oddity jungle GmbH, oddity waves GmbH, oddity group services GmbH, oddity code GmbH and oddity GmbH.

[46] Wholly-owned subsidiary of oddity GmbH

[47] Wholly-owned subsidiary of oddity code GmbH.

[48] On September 1, 2022, Infosys Singapore Pte. Ltd. (formerly Infosys Consulting Pte. Ltd.) (a wholly-owned subsidiary of Infosys Limited) acquired 100% of voting interests in BASE life science A/S.

[49] Wholly-owned subsidiary of BASE life science A/S

[50] Incorporated on September 6, 2022

[51] Incorporated effective December 15, 2022

[52] Incorporated effective February 7, 2023.

[53] Infosys Financial Services GmbH. (formerly Panaya GmbH) became a wholly-owned subsidiary of Infosys Singapore Pte. Ltd (formerly Infosys Consulting Pte. Ltd.) with effect from February 23, 2023.

2.7 Analytical ratios

The analytical ratios for the year ended March 31, 2023 are as follows :

Particulars	Numerator	Denominator	Year ended March 31, 2023
Current ratio	Current assets	Current liability	19.2
Return on equity (ROE)	Net profits after taxes	Shareholder's Equity	(22.4%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[1]	(21.2%)

[1] Tangible net worth + Deferred tax liabilities + Lease liabilities

for and on behalf of the Board of Directors of Infosys BPM UK Limited

Ritesh Gandhi
Director

Place: Bengaluru

Date: May 20, 2023

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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. (hereinafter the "Company") is in line with the following trade licenses in the Czech Republic:

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

Fields of activity:

- services in the area of administration and services of an organizational and economic nature,
- provision of software, information technology consulting, data processing, hosting and related activities and web portals,
- guidance and consulting activities, production of expert studies and opinions,
- research and development in the field of natural and technical sciences or social sciences,
- intermediation in trade and services,
- translation and interpretation activities.

2. Activities of accounting advisors and accounts keeping

Description of activities:

Technical contact centre

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

Support is provided in most of the 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 and interpretation support
- Remote warehouse software support
- Remote quality control
- Transition and due-diligence support
- Project management support
- Process management and operation consulting
- Application development and maintenance
- IT services management

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

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

There were no subsequent events except for the changes in statutory bodies.

Change of the statutory executive:

On April 14, 2023, Kapil Jain ceased to be the Statutory Executive of the Company.

On April 15, 2023, Ritesh Gandhi became the Statutory Executive of the Company.

Change in the Supervisory Board:

On April 14, 2023, Ritesh Gandhi ceased to be a member and the chairman of the Supervisory Board of the Company.

The change of the Statutory Executive and the change in the Supervisory Board were registered in the Register of Companies on April 17, 2023.

- Expected development of the reporting entity's activities

The revenues from services for 2022-23 amounted to CZK 1,205,873 thousand compared with CZK 676,260 thousand for 2021-22. The number of employees as at March 31, 2023 (including employees on maternity and parental leave) amounted to 1,592 (March 31, 2022 – 745 employees).

It is expected that in 2023-24 there will be 1,751 employees (excluding employees on maternity and parental leave) and a turnover of CZK 1,447,047 thousand.

The Statutory Executive of the Company is not aware of any other matter or circumstance that has occurred since the end of the reporting 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.

- R&D activities: none

- Acquisition of treasury shares or ownership interests

  The Company has acquired no treasury shares or ownership interests.

- Activities in the area of environmental protection

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

- Labor law relations

The Company fulfils and meets all conditions and duties stipulated by the Czech Labour Code.

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

Appendices:

1. Balance Sheet as at March 31, 2023
2. Profit and Loss Statement for the year ended March 31, 2023
3. Notes to the Financial Statement
4. Report on Relations 2022-23
5. Audit Report

Date: June 2, 2023

Ritesh Gandhi
Company Statutory Executive

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, 2023, 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, 2023, 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 June 2, 2023

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

Balance Sheet

(In CZK thousand)

Sl. No.	Particulars	As at March 31,			
		2023			2022
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	773,720	138 206	635 514	415 056
B.	Fixed assets	169,155	137 929	31 226	42 777
B.I.	Intangible fixed assets	3 092	2 610	482	1 100
B.I.2.	Valuable rights	3 092	2 610	482	1 100
B.I.2.1.	Software	3 092	2 610	482	1 100
B.II.	Tangible fixed assets	166 063	135 319	30 744	41 677
B.II.1.	Land and structures	46 823	37 079	9 744	14 211
B.II.1.2.	Structures	46 823	37 079	9 744	14 211
B.II.2.	Tangible movable assets and sets of tangible movable assets	119 240	98 240	21 000	27 466
C.	Current assets	591 093	277	590 816	359 152
C.II.	Receivables	357 813	277	357 536	159 132
C.II.1.	Long-term receivables	24 696	–	24 696	17 702
C.II.1.4.	Deferred tax asset	13 520	–	13 520	6 100
C.II.1.5.	Receivables - other	11 176	–	11 176	11 602
C.II.1.5.2.	Long-term prepayments made	11 176	–	11 176	11 602
C.II.2.	Short-term receivables	333 117	277	332 840	141 430
C.II.2.1.	Trade receivables	206 289	277	206 012	118 353
C.II.2.4.	Receivables - other	126 828	–	126 828	23 077
C.II.2.4.3.	State - tax receivables	13 074	–	13 074	4 226
C.II.2.4.5.	Estimated receivables	99 206	–	99 206	18 848
C.II.2.4.6.	Sundry receivables	14 548	–	14 548	3
C.IV.	Cash	233 280		233 280	200 020
C.IV.1.	Cash on hand	4 976	–	4 976	–
C.IV.2.	Cash at bank	228 304	–	228 304	200 020
D.	Other assets	13 472	–	13 472	13 127
D.1.	Deferred expenses	13 369	–	13 369	13 127
D.3.	Accrued income	103	–	103	–

Liabilities

(In CZK thousand)

Sl. No.	Particulars	As at March 31, 2023	2022
	TOTAL LIABILITIES & EQUITY	635 514	415 056
A.	Equity	271 846	284 270
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 (+/-)	263 645	234 193
A.IV.1.	Accumulated profits or losses brought forward (+/-)	263 645	234 193
A.V.	Profit or loss for the current period (+/-)	(12 424)	29 452
B.+C.	Liabilities	349 797	117 417
B.	Reserves	42 564	11 520
B.II.	Income tax reserve	–	2 940
B.IV.	Other reserves	42 564	8 580
C.	Payables	307 233	105 897
C.II.	Short-term payables	307 233	105 897
C.II.3.	Short-term prepayments received	115	–
C.II.4.	Trade payables	101 824	8 742
C.II.8.	Other payables	205 294	97 155
C.II.8.3.	Payables to employees	183	47
C.II.8.4.	Social security and health insurance payables	22	13
C.II.8.5.	State - tax payables and subsidies	2	2
C.II.8.6.	Estimated payables	203 886	96 143
C.II.8.7.	Sundry payables	1 201	950
D.	Other liabilities	13 871	13 369
D.1.	Accrued expenses	13 871	13 366
D.2.	Deferred income	–	3

Profit and Loss Account

(In CZK thousand)

Sl. No.	Particulars	Years ended March 31, 2023	Years ended March 31, 2022
I.	Sales of products and services	1 205 873	676 260
A.	Purchased consumables and services	389 418	159 656
A.2.	Consumed material and energy	12 999	5 326
A.3.	Services	376 419	154 330
D.	Staff costs	785 827	440 509
D.1.	Payroll costs	575 524	330 210
D.2.	Social security and health insurance costs and other charges	210 303	110 299
D.2.1.	Social security and health insurance costs	194 935	101 621
D.2.2.	Other charges	15 368	8 678
E.	Adjustments to values in operating activities	18 822	27 022
E.1.	Adjustments to values of intangible and tangible fixed assets	18 714	27 029
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	18 714	27 029
E.3.	Adjustments to values of receivables	108	(7)
III.	Other operating income	27 663	20 621
III.1.	Sales of fixed assets	–	20 484
III.3.	Sundry operating income	27 663	137
F.	Other operating expenses	38 993	23 908
F.1.	Net book value of sold fixed assets	–	20 484
F.3.	Taxes and charges	64	70
F.4.	Reserves relating to operating activities and complex deferred expenses	33 985	382
F.5.	Sundry operating expenses	4 944	2 972
*	Operating profit or loss (+/-)	476	45 786
VI.	Interest income and similar income	4 274	–
VI.2.	Other interest income and similar income	4 274	–
VII.	Other financial income	21 423	8 915
K.	Other financial expenses	38 660	17 292
*	Financial profit or loss (+/-)	(12 963)	(8 377)
**	Profit or loss before tax (+/-)	(12 487)	37 409
L.	Income tax	(63)	7 957
L.1.	Due income tax	7 357	9 525
L.2.	Deferred income tax (+/-)	(7 420)	(1 568)
**	Profit or loss net of tax (+/-)	(12 424)	29 452
***	Profit or loss for the current period (+/-)	(12 424)	29 452
*	Net turnover for the current period	1 259 233	705 796

Statement of Changes in Equity

(In CZK thousand)

Particulars	Share capital	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	Total Equity
Balance at March 31, 2021	18 750	1 875	231 847	2 347	254 819
Distribution of profit or loss			2 347	(2 347)	
Rounding			(1)		(1)
Profit or loss for the current period				29 452	29 452
Balance at March 31, 2022	18 750	1 875	234 193	29 452	284 270
Distribution of profit or loss			29 452	(29 452)	
Profit or loss for the current period				(12 424)	(12 424)
Balance at March 31, 2023	18 750	1 875	263 645	(12 424)	271 846

Cash Flow Statement

(In CZK thousand)

Sl. No.	Particulars	Years ended March 31, 2023	2022
P.	Opening balance of cash and cash equivalents	200 020	156 796
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	(12 487)	37 409
A.1.	Adjustments for non-cash transactions	48 532	27 404
A.1.1.	Depreciation of fixed assets	18 714	27 029
A.1.2.	Change in provisions and reserves	34 092	375
A.1.5.	Interest expense and interest income	(4 274)	–
A.*	Net operating cash flow before changes in working capital	36 045	64 813
A.2.	Change in working capital	13 544	(2 399)
A.2.1.	Change in operating receivables and other assets	(188 294)	(54 954)
A.2.2.	Change in operating payables and other liabilities	201 838	52 555
A.**	Net cash flow from operations before tax	49 589	62 414
A.4.	Interest received	4 274	–
A.5.	Income tax paid from ordinary operations	(17 499)	(493)
A.***	Net operating cash flows	36 364	61 921
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(7 163)	(35 122)
B.2.	Proceeds from fixed assets sold	4 059	16 425
B.***	Net investment cash flows	(3 104)	(18 697)
	Cash flow from financial activities		
F.	Net increase or decrease in cash and cash equivalents	33 260	43 224
R.	Closing balance of cash and cash equivalents	233 280	200 020

Notes to the Financial Statements (unconsolidated)

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 Licensing Act, and accounting advisory, book-keeping and tax records keeping.

Reporting period

April 1, 2022 – March 31, 2023

Company Owners

The Company's shareholder as of March 31, 2022:

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 Statutory Executive of the Company as of March 31, 2023 is: Kapil Jain

Acting on Behalf of the Company

The Statutory Executive acts on behalf of the Company independently.

Members of the Supervisory Board as of March 31, 2023:

Chairman of the Supervisory Board:

Ritesh Gandhi

Member of the Supervisory Board

Jan Skoták

The consolidated financial statements of the broadest group of reporting entities, including the Company as a consolidated entity, 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, including the Company as a consolidated entity, 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 at the consolidating entity's registered office.

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

In the year ended March 31, 2023, the following changes were recorded:

No changes were recorded.

Organizational Structure

The Company is managed by the Statutory Executive.

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 war in Ukraine: The Company assessed possible impacts on the carrying amounts of receivables and uninvoiced revenues that may arise from the war in Ukraine. In developing assumptions concerning potential future uncertainties in the global economic conditions due to this situation, 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.

Based on the information currently available, the Company's management does not expect the ongoing military conflict to have an impact on the going concern assumption. Potential financial consequences (e.g., in relation to the rising energy prices, fuel prices, wage costs and services, etc.) cannot be reliably estimated at the balance sheet date.

(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 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 these transfer pricing agreements.

(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 he financial statements but are not presented in the financial statements.

Changes in Accounting Principles and Policies

In the year ended March 31, 2023, no changes were made in the accounting principles and policies.

Tangible fixed assets

(In CZK thousand)

Particulars	Buildings	Machinery and equipment, Account No. 042	Total
Cost	–	–	–
Balance at 1 April 2022	46 823	112 077	158 900
Additions	–	7 163	7 163
Disposals	–	–	–
Exchange rate difference	–	–	–
Reclassification	–	–	–
Balance at March 31, 2023	46 823	119 240	166 063
Accumulated depreciation	–	–	–
Balance at April 1, 2022	32 612	84 611	117 223
Depreciation	4 467	13 629	18 096
Accumulated depreciation on disposals	–	–	–
Reclassification	–	–	–
Balance at March 31, 2023	37 079	98 240	135 319
Net book value at April 1, 2022	14 211	27 466	41 677
Net book value at March 31, 2023	9 744	21 000	30 744

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	Total
Cost			
Balance at April 1, 2021	55 102	97 611	152 713
Additions	–	14 639	14 639
Disposals	8 279	–	8 452
Exchange rate difference	–	–	–
Reclassification	–	–	–
Balance at March 31, 2022	46 823	112 077	158 900
Accumulated depreciation			
Balance at April 1, 2021	26 813	72 450	99 263
Depreciation	14 078	12 334	26 412
Accumulated depreciation on disposals	8279	173	8 452
Reclassification	–	–	–
Balance at March 31, 2022	32 612	84 611	117 223
Net book value at April 1, 2021	28 289	25 161	53 450
Net book value at March 31, 2022	14 211	27 466	41 677

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 15 March 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 42,199 thousand and CZK 42,208 thousand in the years ended March 31, 2023 and 2022, respectively.

Trade receivables and payables

(a) Short-term trade receivables amounted to CZK 206,289 thousand (31 March 2022 – CZK 118,353 thousand), of which CZK 83,962 thousand (March 31, 2022 – CZK 90,509 thousand) included past-due receivables. The provision against doubtful receivables amounted to CZK 277 thousand and CZK 169 thousand as of March 31, 2023 and 2022, respectively.

(b) Short-term trade payables amounted to CZK 101,824 thousand (March 31, 2022 – CZK 8,742 thousand), of which CZK 5,747 thousand (March 31, 2022 – CZK 5,831 thousand) included past-due payables. The Company records no payables with a maturity exceeding five years.

Advance payments made

Long-term advance payments made include prepayments (deposit) for the lease of office premises in the amount of CZK 11,176 thousand (March 31, 2022 – CZK 11,602 thousand).

Statement of changes in equity

As of the date of signing the financial statements, no decision was made about the transfer of profit for 2022/2023. The Company's management anticipates transferring the profit generated in the reporting period to retained earnings.

Reserves

(In CZK thousand)

Particulars	Reserve for outstanding vacation days	Reserve for risks	Reserve for income tax	Reserve for other risks	Total
Balance at April 1, 2022	5 143	145	2 940	3 292	11 520
Change in reserves	16 032	262	0	17 690	33 984
Other adjustments	–	–	(2 940*)	–	(2 940)
Balance at March 31, 2023	21 175	407	0	20 982	42 564

- The income tax reserve in the amount of CZK 1,875 thousand (March 31, 2022 – CZK 9,964 thousand), the advance payments made in the amount of CZK 9,077 thousand (31 March 2022 – CZK 7,024 thousand), and the resulting payable is reported in the line State – tax receivables CZK 7,202 thousand (as of March 31, 2022 – Reserve for income tax of CZK 2,940 thousand). As of March 31, 2023, a value-added tax receivable is also reported in the line State – tax receivables of CZK 5,872 thousand (as of March 31, 2022 – CZK 4,226 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 407 thousand (March 31, 2022 – CZK 145 thousand). The reserve for other risks includes a reserve for employee bonuses of CZK 14,960 thousand and a reserve for customer bonuses of CZK 6,022 thousand (as of March 31, 2022 – CZK 3,292 thousand). The reserve for outstanding vacation days amounts to CZK 21,175 thousand (March 31, 2022 – CZK 5,143 thousand).

Sales

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

(In CZK thousand)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	In-country	Europe + USA	India	Total	In- country	Europe + USA	India	Total
Advisory, HW and SW consulting	92 268	267 983	845 622	1 205 873	72 410	113 356	490 494	676 260
Total	92 268	267 983	845 622	1 205 873	72 410	113 356	490 494	676 260

Related party transactions

(a) Trade receivables and payables

(In CZK thousand)

Particulars	Receivables at March 31, 2023	Receivables at March 31, 2022	Payables at March 31, 2023	Payables at March 31, 2022
Infosys Poland Sp.z.o.o	57	243	0	0
Infosys BPM Ltd	283	418	394	110
Infosys Limited	68 513	51 397	1371	0
Infosys Austria	2 768	543	–	–
Infosys Automotive	54 470	22 293	91785	–
Infosys Consulting (Belgium)	212	467	–	–
Infosys Cons. AG (Switzerland)	705	514	–	–
Infosys Cons. Co.LTD	552	1 741	–	–
Portland Group	883	–	–	–
Infosys Luxembourg	3	1	–	–
Infosys McCamish	2 193	1 241	–	–
Infosys Tech.China	1 587	859	42	77
Infosys Tech.Sweden	35	487	–	–
InfosysTech.S.De.R.L (Mexico)	238	43	–	–
Infosys Turkey	7 549	321	–	–
Infosys Cons S.R.L (Romania)	579	284	–	–
Infosys Cons S.R.L (Lodestone Argentina)	419	73	–	–
InfosysLTDA (BR)	962	–	–	–
Infosys Singapore	1 070	–	–	–
Infosys Middle East FZ-LLC	12	–	–	–
Total	143 090	80 925	93 592	187

(b) Sale of goods and services and purchases thereof

(In CZK thousand)

Year ended March 31, 2023	Sales for the year	Purchases for the year
Portland Group Pty Ltd	1 410	–
Infosys Automotive and Mobility	86 237	–
Infosys Turkey Bilgi Teknolojikeri	7 776	–
Infosys Austria	3 994	–
Infosys Technologies China	3 723	410
Lodestone Argentina	372	–
Lodestone Belgium	2 547	–
Lodestone Brazil	2 064	–
Lodestone Switzerland	2 249	–
Infy Consulting Company Ltd	3 783	–
Infosys Consulting Romania	1 374	–
Lodestone Singapore	1 405	–
Infosys Luxembourg S.à.r.l	12	–
Infosys Technologies, Mexico.	403	–
Infosys Poland sp. z o o	2 386	–
Infosys Technologies (Sweden)	2 767	–
Infosys Limited	845 225	(4 293)
Infosys Middle East FZ-LLC	1 792	–
Infosys BPO Ltd.	3 806	2 116
McCamish Systems LLC	8 146	–
Total	981 471	(1 767)

(In CZK thousand)

Year ended March 31, 2022	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH & Co. KG	22 772	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	334	–
Infosys Austria GmbH	555	–
Infosys Technologies (China) Co. Limited (Infosys China)	883	77
Infosys Consulting S.R.L.(Lodestone Argentina)	76	–
Infosys Consulting (Belgium) NV	476	–
Infosys Consulting AG	528	–
Infy Consulting Company Ltd	1 777	–
Infosys Consulting S.R.L.(Romania)	292	–
Infosys Luxembourg S.a.r.l	1	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	45	–
Infosys Poland Sp z.o.o	554	–
Infosys Technologies (Sweden) AB (Infosys Sweden)	493	–
Infosys Limited	484 776	4 829
Infosys BPM Limited	5 605	177
Infosys McCamish Systems LLC	1 290	–
Total	520 457	5 083

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

In the years ended March 31, 2023 and 2022, the Company did not provide any benefits and loans to the members of its statutory bodies.

Services

The total costs of services amounted to CZK 376,419 thousand (March 31, 2022 – CZK 154,330 thousand), which principally included the lease expenses in the amount of CZK 42,199 thousand (March 31, 2022 – CZK 44,682 thousand).

Other operating expenses

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

Employees and managers

The average re-calculated number of employees and managers, and the staff costs for the years ended March 31, 2023 and 2022 were as follows:

(In CZK thousand)

Year ended March 31, 2023	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	1 651	572 454	194 163	15 355
Managers	1	3 070	772	13
Total	1 652	575 524	194 935	15 368

(In CZK thousand)

Year ended March 31, 2022	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	760	327 035	100 928	8 671
Managers	1	3 175	693	7
Total	761	330 210	101 621	8 678

Estimated receivables

Total estimated receivables amounted to CZK 99,206 thousand (March 31, 2022 – CZK 18,848 thousand) and included estimated unbilled services of CZK 99,206 thousand (31 March 2022 – CZK 18,848 thousand) and accrual contracts income.

Estimated payables

Total estimated payables amounted to CZK 203,886 thousand (March 31, 2022 – CZK 96,143 thousand) and included estimated unbilled services as well as items included in remuneration of employees.

Accrued Expenses

Total accrued expenses amount to CZK 13,871 thousand (March 31, 2022 – CZK 13,366 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 arising from straight-line recognition (lease incentives) is recorded as accrued expenses.

Other Financial Expenses and Income

Other financial expenses in the amount of CZK 38,660 thousand (March 31, 2022 – CZK 17,292 thousand) and other financial income in the amount of CZK 21,423 thousand (March 31, 2022 – CZK 8,915 thousand) principally included realized and unrealized foreign exchange rate gains and losses.

Due amounts arising from social security and health insurance

The amounts due arising from social security and health insurance amounted to CZK 21,428 thousand (March 31, 2022 – CZK 9,446 thousand), of which the amount of CZK 15,756 thousand (March 31, 2022 – CZK 6,929 thousand) included estimated social security payments by the employer and the amount of CZK 5,672 thousand (March 31, 2022 – CZK 2,817 thousand) included estimated health insurance payments by the employer. As of March 31, 2023 and 2022, these estimated due amounts are reported in the line 'Estimated payables'. None of these amounts were past their due dates.

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.

Income taxation

(a) Tax currently payable

The income tax payable comprises the estimated tax amount for the taxation period ended March 31, 2023, in the amount of CZK 1,875 thousand (taxation period ended March 31, 2022 – CZK 9,964 thousand), and an adjustment of the estimated income tax for the taxation period ended March 31, 2022, of CZK 5,482 thousand (taxation period ended March 31, 2021 – CZK 439 thousand).

(b) Deferred tax

(In CZK thousand)

Particulars	Asset		Liabilities	
	Balance at March 31, 2023	Balance at March 31, 2022	Balance at March 31, 2023	Balance at March 31, 2022
Fixed assets	5 380	4 437	–	–
Receivables	53	32	–	–
Reserves	8 087	1 631	–	–
Other temporary differences	–	–	–	–
Deferred tax asset/ (liability)	13 520	6 100	–	–

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, 2023.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of March 31, 2023, the applied tax rate amounted to 19% (2021 – 19%).

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.

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, including fixed short-term accounts 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,	
	2023	2022
Total current financial assets	233 280	200 020
Cash and cash equivalents	233 280	200 020

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

Significant post Balance Sheet events

The changes to the Register of Companies as of April 1, 2023, until the date of these financial statements were as follows:

Statutory Executive:

RITESH GANDHI, born April 23, 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom of Great Britain and Northern Ireland

Appointed on: April 15, 2023

KAPIL JAIN, born March 3, 1967

SW193LA London, 8 Tybenham Road, United Kingdom of Great Britain and Northern Ireland Removed on: 14 April 2023

Chairman of the Supervisory Board:

RITESH GANDHI, born April 23, 1975

GU151HD Camberley, 216 Upper Chobham Road, United Kingdom of Great Britain and Northern Ireland

Removed on: April 14, 2023

Membership removed on: April 14, 2023

As of the Balance Sheet date, the Company's management is not aware of any other significant post balance sheet events that would have a material impact on the financial statements as of March 31, 2023.

Report on Relations

For the accounting period 1st April, 2022 – 31st March, 2023

The Statutory Executive of the Company has drawn up the following Report on the 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, as amended, for the period April 1, 2022 –March 31, 2023 (hereinafter referred to as the "Decisive Period"). Upon description of the relations, the obligation to keep the trade secrets of the Company has been complied with.

1) Structure of the relations

According to the information available to the Statutory Executive 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 are stated as at March 31, 2023 and are based on the information available to the Statutory Executive 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, Brno, Vlněna 526/1, Trnitá, 602 00 Brno, Czech Republic ID No. 269 18 757,

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

2) Role of the Company in the Infosys BPM Group

The Company is a majority-owned and controlled subsidiary of Infosys BPM Limited. Like other companies within the Infosys BPM Group, the Company leverages the benefits of service delivery globalization, process redesign and technology and thus drives efficiency and cost effectiveness into client's 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 subcontractor of Infosys Poland Sp.z.o.o. or as subcontractor of Infosys Limited or as 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) acting in the capacity of the general meeting of the Company. Infosys BPM Limited is 100% shareholder of the Company.

4) Overview of actions made by the controlled person in the interest or at the initiative 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 of the controlling person or persons controlled by the controlling person which related to property exceeding 10 percent of the equity of the Company asserted in accordance with the last financial statements.

5) Overview of mutual 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 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.

(In CZK thousand)

Particulars	Sales for the Decisive Period in TCZK	Purchases for the Decisive Period in TCZK
Infosys BPM Limited	3 806	2 116
Infosys Limited	845 225	-4 293

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

During entire Decisive Period, the subcontracting agreement between the Company (as vendor, respectively supplier) and any of the direct or indirect subsidiaries of Infosys Limited and/or Infosys BPM Limited was in effect.

(In CZK thousand)

Particulars	Sales for the Decisive Period
Portland Group Pty Ltd	1 410
Infosys Automotive and Mobilit	86 237
Infosys Turkey Bilgi Teknoloji	7 776
Infosys Austria	3 994
Infosys Technologies China	3 723
Lodestone Argentina	372
Lodestone Belgium	2 547
Lodestone Brazil	2 064
Lodestone Switzerland	2 249

Particulars	Sales for the Decisive Period
Infy Consulting Company Ltd	3 783
Infosys Consulting Romania	1 374
Lodestone Singapore	1 405
Infosys Luxembourg S.à.r.l	12
Infosys Technologies, Mexico.	403
Infosys Poland sp. z o o	2 386
Infosys Technologies (Sweden)	2 767
Infosys Limited	845 225
Infosys Middle East FZ-LLC	1 792
Infosys BPO Ltd.	3 806
McCamish Systems LLC	8 146

(In CZK thousand)

Particulars	Purchase for the Decisive Period
Infosys Technologies China	410
Infosys Limited	(4 293)
Infosys BPO Ltd.	2 116

6) Assessment of detriment and assessment of its settlement

On the ground 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 ground of actions made by 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 negotiation 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 June 2, 2023

Ritesh Gandhi
Statutory Executive

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