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, 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").

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, 2023, its 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 ("SA"s) 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.

Emphasis of Matter

As described in Note 2.20 to the special purpose financial statements, certain costs relating to possible damages or claims relating to a cybersecurity incident are indeterminable as at the date of this report because of reasons stated in the note. Our opinion is not modified in respect of this matter.

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

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 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: 117366W/W-100018)

Gurvinder Singh
Partner

Membership No. 110128

UDIN: 24110128BKBGWQ4002

Date: April 20, 2024

Place: Bengaluru

Balance Sheet

(In US$)

Particulars	Note.no.	As at December 31, 2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2.1	3,029,805	4,060,729
Right of use assets	2.2	82,110,992	58,441,685
Goodwill		696,400	696,400
Other intangible assets	2.3	769,043	1,168,219
Financial assets			
Loans	2.4	46,782,579	29,356,274
Other financial assets	2.5	45,138,907	62,708,879
Deferred tax assets (net)	2.15	14,374,927	6,946,993
Other non-current assets	2.8	14,942,225	24,290,834
Income Tax assets (net)	2.15	3,709,497	–
Total non-current assets		211,554,375	187,670,013
Current assets			
Financial assets			
Trade receivables	2.6	85,500,947	99,562,193
Cash and cash equivalents	2.7	70,092,706	41,150,961
Loans	2.4	3,678	15,525,525
Other financial assets	2.5	95,939,328	128,678,538
Other current assets	2.8	88,702,731	77,499,583
Total current assets		340,239,390	362,416,800
Total assets		551,793,765	550,086,813
Equity and liabilities			
Equity			
Equity share capital	2.10	36,070,038	36,070,038
Other equity		107,551,721	96,891,921
Total equity		143,621,759	132,961,959
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	76,912,705	53,988,294
Other financial liabilities	2.11	7,295,919	47,179,826
Total non-current liabilities		84,208,624	101,168,120
Current liabilities			
Financial liabilities			
Trade payables	2.12	40,924,179	23,152,503
Lease liabilities	2.2	32,764,782	18,977,970
Other financial liabilities	2.11	181,158,583	226,429,686
Other current liabilities	2.13	57,320,726	46,479,653
Provisions	2.14	11,795,112	154,916
Income tax liabilities (net)	2.15	–	762,006
Total current liabilities		323,963,382	315,956,734
Total equity and liabilities		551,793,765	550,086,813

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 Infosys McCamish Systems LLC

Gurvinder Singh
Partner
Membership No. 110128

Richard Magner
Chief Executive Officer and director

Binod Choudhary
Director

Place : Bengaluru
Date: April 20, 2024

Thothathri V
Director

Statement of Profit and Loss

(In US$)

Particulars	Note no.	Years ended December 31, 2023	2022
Revenue from operations	2.16	434,479,377	458,723,130
Other income, net	2.17	7,250,132	2,880,436
Total income		441,729,509	461,603,566
Expenses			
Employee benefit expenses	2.18	38,170,728	35,131,300
Cost of technical sub-contractors and professional charges	2.18	72,293,880	76,958,851
Travel expenses		135,181	91,416
Cost of software packages and other services		276,962,076	279,091,164
Finance cost		4,396,059	2,248,757
Depreciation and amortization expense		21,362,499	13,379,802
Other expenses	2.18	10,860,500	12,266,351
Total expenses		424,180,923	419,167,641
Profit before tax		17,548,586	42,435,925
Tax expense:			
Current tax	2.15	14,316,720	12,410,175
Deferred tax	2.15	(7,427,934)	(4,233,003)
		6,888,786	8,177,172
Profit for the year		10,659,800	34,258,753
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		10,659,800	34,258,753

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 No. 110128

Place : Bengaluru
Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner
Chief Executive Officer and director

Binod Choudhary
Director

Thothathri V
Director

Statement of Changes in Equity

(In US$)

Particulars	Equity share capital	Other equity		Total equity
		Retained earnings	Other comprehensive income	
Balance as at January 1, 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
Balance as at January 1, 2023	36,070,038	96,891,921	–	132,961,959
Changes in equity for the year ended December 31, 2023				
Total comprehensive income for the year	–	10,659,800	–	10,659,800
Balance as at December 31, 2023	36,070,038	107,551,721	–	143,621,759

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 No. 110128

Place : Bengaluru

Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner

Chief Executive Officer and director

Binod Choudhary

Director

Thothathri V

Director

Statement of Cash Flows

(In US$)

Particulars	Years ended December 31, 2023	2022
Cash flow from operating activities:		
Profit for the year	10,659,800	34,258,753
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	6,888,786	8,177,172
Depreciation and amortization expense	21,362,499	13,379,802
Allowance for credit losses on financial assets	532,274	351,676
Gain on sale of property, plant and equipment	(4,044)	–
Exchange difference on translation of assets and liabilities	(115,610)	556,296
Finance cost	4,396,059	2,248,757
Interest income	(5,896,101)	(2,134,522)
Other adjustment	10,761,650	6,579,006
Changes in assets and liabilities		
Trade receivables and unbilled revenue	73,170,316	(40,440,409)
Loans and other financial assets and other assets	(11,749,984)	(15,175,912)
Trade payables	17,771,676	(9,353,210)
Other financial liabilities, other liabilities and provisions	(48,060,023)	50,657,386
Cash generated by operations	79,717,298	49,104,795
Income taxes paid	(18,788,223)	(12,735,253)
Net cash generated by operating activities	60,929,075	36,369,542
Cash flow from investing activities:		
Expenditure on property, plant and equipment including intangible assets, net of sale proceeds, including changes in capital creditors	(1,479,495)	(828,572)
Interest received	6,243,700	224,694
Loans to related parties	(22,500,000)	(24,500,000)
Loan repaid by related parties	20,000,000	–
Receipt towards financing arrangements	1,351,741	4,577,956
Net cash generated / (used) in investing activities	3,615,946	(20,525,922)
Cash flow from financing activities:		
Payment towards financing arrangements	(14,480,176)	(15,211,290)
Repayment of lease liabilities	(21,123,100)	(6,810,006)
Net cash used in financing activities	(35,603,276)	(22,021,296)
Net (decrease) / increase in cash and cash equivalents	28,941,745	(6,177,676)
Cash and cash equivalents at the beginning	41,150,961	47,328,637
Cash and cash equivalents at the end	70,092,706	41,150,961
Supplementary information:		
Restricted cash balance	7,939	6,135

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 No. 110128

Place : Bengaluru
Date: April 20, 2024

for and on behalf of Infosys McCamish Systems LLC

Richard Magner
Chief Executive Officer and director

Binod Choudhary
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 as part of core services. 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 along with its Group companies also provides technology, outsourcing and software solutions to its 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 terms of formation were specified by the operating agreement of the Company. The Company will continue until December 31, 2060, unless terminated earlier pursuant to the terms of the operating agreement.

The financial statements are approved by the Company's Board of Directors on April 20, 2024.

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 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 Note 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 the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Also refer 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 the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2023 are as follows:

(In US$)

Particulars	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at January 1, 2023	3,791,348	24,600	434,772	11,863,804	975,548	17,090,072
Additions	–	–	–	1,375,260	–	1,375,260
Deletions	–	–	(95,687)	(594,731)	(128,683)	(819,101)
Gross carrying value as at December 31, 2023	3,791,348	24,600	339,085	12,644,333	846,865	17,646,231
Accumulated depreciation as at January 1, 2023	2,850,384	3,141	378,974	9,016,308	780,536	13,029,343
Depreciation	688,242	4,910	36,869	1,537,994	138,169	2,406,184
Accumulated depreciation on deletions	–	–	(95,687)	(594,731)	(128,683)	(819,101)
Accumulated depreciation as at December 31, 2023	3,538,626	8,051	320,156	9,959,571	790,022	14,616,426
Carrying value as at December 31, 2023	252,722	16,549	18,929	2,684,762	56,843	3,029,805
Carrying value as at January 1, 2023	940,964	21,459	55,798	2,847,496	195,012	4,060,729

The changes in the carrying value of property, plant and equipment for the year ended December 31, 2022 was as follows:

(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

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 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 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.

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

(In US$)

Particulars	Category of ROU asset		Total
	Buildings	Computers	
Balance as of January 1, 2023	9,603,723	48,837,962	58,441,685
Additions	-	55,661,134	55,661,134
Deletions	–	(10,469,734)	(10,469,734)
Amortization	(1,255,940)	(20,266,153)	(21,522,093)
Balance as of December 31, 2023	8,347,783	73,763,209	82,110,992

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

(In US$)

Particulars	Category of ROU asset		Total
	Buildings	Computers	
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

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

The break-up of current and non-current lease liabilities as at December 31, 2023 is as follows:

(In US$)

Particulars	Amount
Non-current lease liabilities	76,912,705
Current lease liabilities	32,764,782
Total	109,677,487

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

(In US$)

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

The movement in lease liabilities during the year ended December 31, 2023 is as follows:

(In US$)

Particulars	Amount
Balance as of January 1, 2023	72,966,264
Additions	55,661,134
Deletions	(1,520,935)
Finance cost accrued during the period	3,694,124
Payment of lease liabilities	(21,123,100)
Balance as of December 31, 2023	109,677,487

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

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

(In US$)

Particulars	Amount
Less than one year	31,283,576
One to five years	79,086,428
More than five years	2,279,211
Total	112,649,215

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

(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.

The changes in the carrying value of acquired intangible assets for the year ended December 31, 2023 are as follows:

(In US$)

Particulars	Software
Gross carrying value as of January 1, 2023	3,300,000
Additions during the year	–
Deletions during the year	–
Gross carrying value as of December 31, 2023	3,300,000
Accumulated amortization as of January 1, 2023	2,131,781
Amortization expense	399,176
Deletion during the year	–
Accumulated amortization as of December 31, 2023	2,530,957
Carrying value as of December 31, 2023	769,043
Carrying value as of January 1, 2023	1,168,219
Total estimated useful life (in years)	5

The changes in the carrying value of acquired intangible assets for the year ended December 31, 2022 was as follows:

(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

Particulars	Software
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

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,	
	2023	2022
Non-current		
Unsecured, considered doubtful		
Loans to employees	8,213	3,192
Less: Allowance for doubtful loans to employees	(8,213)	(3,192)
	–	–
Unsecured, considered good		
Loans to related parties (Refer to Note 2.21)	46,782,579	29,356,274
Total non-current loans	46,782,579	29,356,274
Current		
Unsecured, considered good		
Loans to employees	3,678	9,835
Unsecured, considered good		
Loans to related parties (Refer to Note 2.21)	–	15,515,690
Total current loans	3,678	15,525,525
Total loans	46,786,257	44,881,799

2.5 Other financial assets

(In US$)

Particulars	As at December 31,	
	2023	2022
Non-current		
Security deposits [1]	127,260	127,260
Financial asset under financing arrangements [1]	342,466	967,294
Unbilled revenues[1] [3]	32,469,689	52,674,786
Investment in sub-lease	12,199,492	8,939,539
Total non-current other financial assets	45,138,907	62,708,879
Current		
Financial asset under financing arrangements [1]	1,213,065	1,857,155
Unbilled revenues[1] [3]	85,640,299	126,022,808
Interest accrued but not due [1]	241,786	–
Investment in sub-lease	6,394,817	587,215
Others [1] [2]	2,449,361	211,360
Total current other financial assets	95,939,328	128,678,538
Total other financial assets	141,078,235	191,387,417

[1] Financial assets carried at amortized cost

[2] Includes dues from related parties (Refer to Note 2.21)

[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,	
	2023	2022
Current		
Trade receivable considered good-Unsecured[1]	87,479,542	100,480,031
Less: Allowance for expected credit loss	(1,978,595)	(917,838)
Trade receivable considered good-Unsecured	85,500,947	99,562,193
Trade Receivable-credit impaired - Unsecured	2,453,543	2,340,467
Less: Allowance for credit impairment	(2,453,543)	(2,340,467)
Trade Receivable-credit impaired-Unsecured	–	–
Total trade receivables	85,500,947	99,562,193

[1] Includes dues from related parties (Refer to Note 2.21)

The details regarding the ageing of trade receivables as at December 31, 2023 are as follows:

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	58,104,442	26,897,343	2,095,283	341,463	5,399	35,612	87,479,542
Undisputed trade receivables- credit impaired	–	–	55,447	48,534	–	2,349,562	2,453,543
Disputed trade Receivables- considered good	–	–	–	–	–	–	–
Disputed trade receivables- credit impaired	–	–	–	–	–	–	-
Less: Allowance for credit loss							4,432,138
Total trade receivables	58,104,442	26,897,343	2,150,730	389,997	5,399	2,385,174	85,500,947

The details regarding the ageing of trade receivables as at December 31, 2022 was as follows:

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	46,563,813	53,633,587	210,850	24,803	46,978	–	100,480,031
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							3,258,305
Total trade receivables	46,563,813	53,633,587	210,850	24,803	2,387,445	–	99,562,193

2.7 Cash and cash equivalents

(In US$)

Particulars	As at December 31,	
	2023	2022
Balances with banks		
In current and deposit accounts	70,092,706	41,150,961
	70,092,706	41,150,961

Cash and cash equivalents as at December 31, 2023 and December 31, 2022 include restricted bank balance of US$ 7,939 and US$ 6,135 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,	
	2023	2022
Non-current		
Prepaid expenses	10,645,814	13,494,273
Unbilled revenues [(1)]	1,332,852	5,807,906
Deferred contract cost		

Particulars	As at December 31,	
	2023	2022
Cost of obtaining a contract	2,267,111	3,706,282
Cost of fulfilling a contract	696,448	1,282,373
Total non-current other assets	14,942,225	24,290,834
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	32,600	123,279
Others		
Prepaid expenses	61,361,230	47,050,957
Unbilled revenues (1)	20,548,104	14,594,514
Deferred contract cost		
Cost of obtaining a contract	1,593,028	14,324,229
Cost of fulfilling a contract	3,311,544	100,858
Withholding taxes and others	114,950	109,956
Others (2)	1,741,275	1,195,790
Total current other assets	88,702,731	77,499,583
Total other assets	103,644,956	101,790,417

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

(2) Includes dues from related parties (Refer to Note 2.21)

2.9 Financial instruments

Accounting Policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.9.5 Impairment

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

Financial instruments by category

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

(In US$)

Particulars	As at December 31, 2023	2022
Assets		
Cash and cash equivalents (Refer to Note 2.7)	70,092,706	41,150,961
Trade receivables (Refer to Note 2.6)	85,500,947	99,562,193
Loans (Refer to Note 2.4)	46,786,257	44,881,799
Other financial assets (Refer to Note 2.5)	141,078,235	191,387,417
Total	343,458,145	376,982,370
Liabilities		
Trade payables (Refer to Note 2.12)	40,924,179	23,152,503
Lease liabilities (Refer to Note 2.2)	109,677,487	72,966,265
Other financial liabilities (Refer to Note 2.11)	187,707,906	272,953,977
Total	338,309,572	369,072,745

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$85,500,947 and US$99,562,193 as at December 31, 2023 and December 31, 2022 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 details in respect of percentage of revenues generated from top customer and top ten customers are as follows:

(In %)

Particulars	Years ended December 31, 2023	2022
Revenue from top customer	16%	15%
Revenue from top ten customers	71%	68%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is US$4,432,137 and US$3,258,304 for the year ended December 31, 2023 and December 31, 2022, 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, 2023. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of December 31, 2023, the Company has a working capital of US$16,276,008 including cash and cash equivalents of US$70,092,706. As of December 31, 2022, the Company has a working capital of US$46,460,066 including cash and cash equivalents of US$41,150,961.

2.10 Equity

As at December 31, 2023, 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, 2023.

2.11 Other financial liabilities

(In US$)

Particulars	As at December 31, 2023	2022
Non-current		
Accrued expenses[1]	2,872,739	35,261,805
Financial liability under financing arrangements[1]	4,423,180	11,918,021
Total non-current other financial liabilities	7,295,919	47,179,826

Particulars	2023	2022
Current		
Accrued compensation to employees[1]	1,602,677	1,590,812
Accrued expenses[1]	141,649,145	171,235,548
Financial liability under financing arrangements[1]	7,966,884	14,250,283
Compensated absences	746,596	655,535
Capital creditors[1]	–	108,279
Other payables[1] [2]	29,193,281	38,589,229
Total current other financial liabilities	181,158,583	226,429,686
Total other financial liabilities	188,454,502	273,609,512

[1] Financial liability carried at amortized cost

[2] Includes dues to related parties (Refer to Note 2.21)

2.12 Trade payables

(In US$)

Particulars	As at December 31, 2023	2022
Current		
Outstanding dues of micro enterprises and small enterprises	3,600	30,000
Outstanding dues of creditors other than micro enterprises and small enterprises[1]	40,920,579	23,122,503
Total trade payables	40,924,179	23,152,503

[1] Includes dues to related parties (Refer to Note 2.21)

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

The details regarding the ageing of trade payables as at December 31, 2023 are as follows:

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	3,600	–	–	–	–	3,600
Others	27,273,542	13,647,037	–	–	–	40,920,579
Disputed dues-MSME	–	–	–	–	–	–
Disputed dues-others	–	–	–	–	–	–
Total trade payables	27,277,142	13,647,037	–	–	–	40,924,179

The details regarding the ageing of Trade payables as at December 31, 2022 was as follows:

(In US$)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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

2.13 Other liabilities

(In US$)

Particulars	As at December 31, 2023	2022
Current		
Unearned revenue	53,028,148	45,639,396
Others		
Withholding taxes and others	835,815	481,832
Advance from customer	3,456,763	358,425
Total current other liabilities	57,320,726	46,479,653
Total other liabilities	57,320,726	46,479,653

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, 2023 and December 31, 2022 is as follows:

(In US$)

Particulars	As at December 31,,	
	2023	2022
Others		
Post-sales client support and others	11,795,112	154 ,916
Total provisions	11,795,112	154,916

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

(In US$)

Particulars	As at December 31,	
	2023	2022
Balance at the beginning	154,916	373,659
Provision recognized / (reversed)	12,274,172	36,781
Provision utilized	(633,976)	(255,524)
Balance at the end	11,795,112	154,916

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,	
	2023	2022
Current taxes	14,316,720	12,410,175
Deferred taxes	(7,427,934)	(4,233,003)
Income tax expense	6,888,786	8,177,172

Income tax expense for the year ended December 31, 2023 and December 31, 2022 includes true up of additional provisions of USD 2,779,613 and USD 344,140 respectively, pertaining to earlier periods.

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,	
	2023	2022
Profit before incomes taxes	17,548,586	42,435,925
Statutory tax rate	21%	21%
Computed expected tax expense	3,685,203	8,911,544
State taxes	927,523	2,164,349
Disallowed items	5,865	5,347
Deferred tax impact on ROU and lease liabilities	(361,095)	(2,880,344)
Effect of true up of previous year taxes	2,779,613	344,140
Other adjustments	(148,323)	(367,864)
Income tax expense	6,888,786	8,177,172

The applicable US federal tax rates for 2023 and 2022 is 21% and 21% respectively.

The details of income tax assets and income tax liabilities as of December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Income tax assets	15,821,865	11,719,972
Current income tax liabilities	(12,112,368)	(12,481,978)
Net income tax assets/ (liabilities) at the end	3,709,497	(762,006)

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

(In US$)

Particulars	Year ended December 31,	
	2023	2022
Net income tax assets / (liabilities) at the beginning	(762,006)	(1,087,084)
Income tax paid, net of refunds	18,788,223	12,735,253
Income tax expense	(14,316,720)	(12,410,175)
Net income tax assets / (liabilities) at the end	3,709,497	(762,006)

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

(In US$)

Particulars	Carrying value as on January 01,2023	Changes through profit and loss	Changes through OCI	Carrying value as on December 31, 2023
Deferred tax assets / (liabilities)				
Post-sales client support	1,482,763	2,913,364	–	4,396,127
Accrued compensation	253,966	(10,690)	–	243,276
Accrued vacation	170,439	23,676	–	194,115
Unearned revenue	2,940,748	1,306,116	–	4,246,864
Trade receivables	1,458,787	141,048	–	1,599,835
Deferred tax impact on ROU and lease liabilities	2,880,773	2,991,985	–	5,872,758
Property, plant and equipment	(248,159)	304,172	–	56,013
Accruals including contingent consideration reversal	(2,496,000)	–	–	(2,496,000)
Others	503,676	(241,737)	–	261,939
Total deferred tax assets / (liabilities)	6,946,993	7,427,934	–	14,374,927

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

(In US$)

Particulars	Carrying value as on January 01,2022	Changes through profit and loss	Changes through OCI	Carrying value as on December 31, 2022
Deferred tax assets / (liabilities)				
Post-sales client support	478,701	1,004,062	–	1,482,763
Accrued compensation	274,003	(20,037)	–	253,966
Accrued vacation	188,219	(17,780)	–	170,439

Particulars	Carrying value as on January 01,2022	Changes through profit and loss	Changes through OCI	Carrying value as on December 31, 2022
Unearned revenue	2,132,983	807,765	–	2,940,748
Trade receivables	1,639,143	(180,356)	–	1,458,787
Deferred tax impact on ROU and lease liabilities	–	2,880,773	–	2,880,773
Property, plant and equipment	(755,250)	507,091	–	(248,159)
Accruals including contingent consideration reversal	(2,496,000)	–	–	(2,496,000)
Others	1,252,191	(748,515)	–	503,676
Total Deferred tax assets / (liabilities)	2,713,990	4,233,003	–	6,946,993

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, 2023.

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 along with its Group companies also provides technology, outsourcing and software solutions to its clients.

Contracts with customers are either on a time-and-material, unit of work, or on a fixed-timeframe 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 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-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 table below presents disaggregated revenues from contracts with customers for year ended December 31, 2023 and December 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 US$)

Particulars	Years ended December 31,	
	2023	2022
Revenue by offerings		
Core services	49,716,277	68,518,669
Sale of third party software solution and other services	384,763,100	390,204,461
Total	434,479,377	458,723,130

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

Invoicing in excess of earnings are classified as 'unearned revenue'.

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

2.17 Other income, net

Accounting policy

2.17.1 Other income

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

2.17.2 Foreign currency

a. Functional currency

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

b. Transactions and translations

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

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

Other income for the year ended December 31, 2023 and December 31, 2022 is as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Exchange gains / (losses) on translation of other assets and liabilities	115,610	(556,296)
Interest income on bank and others	5,896,101	2,134,522
Miscellaneous income	1,238,421	1,302,210
	7,250,132	2,880,436

2.18 Expenses

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Employee benefit expenses		
Salaries including bonus	38,117,686	35,083,798
Staff welfare	53,042	47,502
	38,170,728	35,131,300
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	60,446,071	75,628,038
Legal and professional	11,838,789	1,325,457
Recruitment and training	9,020	5,356
	72,293,880	76,958,851
Other expenses		
Consumables	14,368	88,708
Brand building and advertisement	15,460	5,405
Rates and taxes	252,646	899,367
Communication expenses	1,021,101	964,349
Office maintenance	669,935	1,000,661
Bank charges and commission	71,981	41,474
Professional membership and seminar participation fees	26,715	48,278
Donations	3,824,000	4,130,000
Impairment loss recognized / (reversed) under expected credit loss model	508,616	298,947
Provision for doubtful loans and advances	23,347	58,786
Provision for service level risk on revenue contracts, post sales client support and others	311	(6,057)
Postage and couriers	3,957,297	4,314,003
Insurance	91,980	119,663
Auditor's remuneration		
Statutory audit fees	40,000	40,000
Reimbursement of expenses	3,000	3,000
Others	339,743	259,767
	10,860,500	12,266,351

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

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Commitments:		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	740,467	466,478

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 Cybersecurity incident

In November 2023, the Company experienced a cybersecurity incident resulting in the non-availability of certain applications and systems. Company initiated its incident response and engaged cybersecurity and other specialists to assist in its investigation of and response to the incident and remediation and restoration of impacted applications and systems. By December 31, 2023, the Company, with external specialists' assistance, substantially remediated and restored the affected applications and systems.

Loss of contracted revenues and costs incurred with respect to remediations, restoration, communication efforts, investigative processes and analysis, legal services and others amounted to approximately $30 million.

Actions taken by the company included investigative analysis conducted by a third-party cybersecurity firm to determine, among other things, whether and the extent to which company or customer data was subject to unauthorized access or exfiltration. The company has engaged a third-party eDiscovery vendor in assessing the extent and nature of such data. The company in coordination with its third-party eDiscovery vendor has identified corporate customers and individuals whose information was subject to unauthorized access and exfiltration. This review process is ongoing. The company may incur additional costs including indemnities or damages/claims, which are indeterminable at this time.

On March 6, 2024, a class action complaint was filed in the U.S. District Court for the Northern District of Georgia against the Company. The complaint arises out of the cyber security incident at the Company initially disclosed on November 3, 2023. The complaint was purportedly filed on behalf of all individuals within the United States whose personally identifiable information was exposed to unauthorized third parties as a result of the incident.

2.21 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holding as at December 31,	
		2023	2022
Ultimate Holding			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding			
Infosys BPM Limited	India	Holding company	Holding company

Fellow subsidiaries	Country
Infosys BPO Americas LLC[(1)]	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[(2)]	Singapore
Infosys Technologies (China) Co. Limited[(2)]	China
Simplus Philippines, Inc.[(5)]	Philippines

(1) Wholly-owned subsidiary of Infosys BPM Limited
(2) Wholly-owned subsidiary of Infosys Limited
(3) Wholly-owned subsidiary of Infosys Nova Holdings LLC
(4) Wholly owned subsidiary of Infy Consulting Company Limited
(5) Wholly owned subsidiary of Infosys Public Services, Inc.

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

(In US$)

Particulars	As at December 31,	
	2023	2022
Trade payables		
Infosys Limited	8,767,018	7,976,372
Infosys BPM Limited	396,016	418,613
Infosys (Czech Republic) Limited s.r.o.	51,737	108,572
Infosys Technologies (China) Co. Limited	9,814	19,776
	9,224,585	8,523,333
Trade receivables		
Infosys Limited	88,848	–
Infosys BPM Limited	476,980	6,037,005
	565,828	6,037,005
Other financial assets		
Infosys Limited	46,227	1,613
Infosys BPM Limited	143,043	174,055

Particulars	As at December 31,	
	2023	2022
Infosys BPO Americas LLC	9,171	8,992
Infosys Automotive and Mobility GmbH & Co. KG	2,248,449	–
	2,446,890	184,660
Other assets		
Infosys Limited	1,624	1,624
	1,624	1,624
Other financial liabilities		
Infosys Limited	19,503,890	1,071,402
Infosys BPM Limited	313	313
Outbox systems Inc. dba Simplus (US)	–	139,257
Blue Acorn iCi Inc	123,217	87,171
Infosys Automotive and Mobility GmbH & Co. KG	3,719,335	–
	23,346,755	1,298,143
Loans		
Infosys Automotive and Mobility GmbH & Co. KG	8,049,328	29,356,274
Infosys Singapore Pte. Ltd	38,733,251	15,515,690
	46,782,579	44,871,964
Provision for expenses		
Infosys Limited	5,845,105	37,465,185
Infosys Automotive and Mobility GmbH & Co. KG	–	4,884,141
	5,845,105	42,349,326

The details of the related parties transactions entered into by the Company for years ended December 31, 2023 and December 31, 2022 are as follows:

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Revenue transactions:		
Purchase of services		
Infosys Limited	29,877,266	85,467,664
Infosys BPM Limited	4,174,460	4,312,774
Infosys (Czech Republic) Limited s.r.o.	288,938	307,259
Infosys Technologies (China) Co. Limited	44,437	65,720
Outbox systems Inc. dba Simplus (US)	1,634,698	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	1,390,383	972,525
Simplus Philippines, Inc.	65,420	–
	37,475,602	92,755,032
Purchase of shared services		
Infosys Limited	5,662,753	124,791
Infosys Automotive and Mobility	29,256,240	6,933,367
	34,918,993	7,058,158

Particulars	Years ended December 31,	
	2023	2022
Sale of services		
Infosys Limited	1,219,132	1,097,174
Infosys BPM Limited	12,531,921	15,992,204
	13,751,053	17,089,378
Sale of shared services		
Infosys BPM Limited	432,847	446,735
Infosys BPO Americas LLC	109,516	18,551
Infosys Automotive and Mobility GmbH & Co. KG	2,151,022	–
	2,693,385	465,286
Interest Income		
Infosys Automotive and Mobility GmbH & Co. KG	979,200	1,303,133
Infosys Singapore Pte. Ltd	1,450,883	606,695
	2,430,083	1,909,828

List of key management personnel

Name of the related party	Designation
Richard Magner	Chief Executive Officer and Director
Thothathri V	Director
Binod Choudhary(1)	Director
John Thothungal(1)	Director
Kapil Jain(2)	Director

(1) appointed as director w.e.f. July 17, 2023.

(2) resigned as director w.e.f. April 14, 2023.

Transaction with key management personnel

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

(In US$)

Particulars	Years ended December 31,	
	2023	2022
Salaries and other employee benefits to whole-time directors and executive officers	636,908	673,042
Total	636,908	673,042

2.22 Compensated absences

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

2.23 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.

2.24 Analytical ratios

The analytical ratios for the years ended December 31, 2023 and December 31, 2022 are as follows:

Particulars	Numerator	Denominator	Years ended December 31,		% of Variance
			2023	2022	
Current ratio	Current assets	Current liability	1.1	1.1	0.0%
Debt – Equity ratio	Total debt[1]	Shareholder's equity	0.8	0.7	14.3%
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	1.3	2.6	(50.0%)
Return on Equity (ROE)	Net profits after taxes	Average shareholder's equity	7.7%	29.6%	(21.9%)
Trade receivables turnover ratio	Revenue	Average accounts receivable	4.7	5.8	(19.0%)
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	11.1	13.1	(15.3%)
Net capital turnover ratio	Revenue	Working capital	26.7	9.9	169.7%
Net profit ratio	Net profit	Revenue	2.5%	7.5%	(5.0%)
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed[4]	8.3%	19.3%	(11.0%)

(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, 2023, there is a variance of more than 25% compared to previous year in

- Debt service coverage ratio due to increase in payment under lease and repayment of rentals towards financing arrangements and decrease in profit
- Net capital turnover ratio due to reclassification of loans from current to non-current in current year.

for and on behalf of Infosys McCamish Systems, LLC

Richard Magner	Binod Choudhary	Thothathri V
Chief Executive Officer and director	*Director*	*Director*

Place: Bengaluru

Date: April 20, 2024

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, 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 1.2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2024, 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.

Emphasis of matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1.2 to the special purpose financial statements, which describes the basis of accounting. The 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 and for issuing Annual Performance Report ("APR") which is required to be furnished by the Holding Company, Infosys BPM to Authorized Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas Investment) Regulations. As a result, the special purpose financial statements may not be suitable for another purpose. The special purpose financial statements cannot be referred to or distributed or included or used for any other purpose except with our prior consent in writing. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

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

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

In preparing the special purpose financial statements, the Company's Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants

(Firm Registration number. No. 117366W/W-100018)

Gurvinder Singh
Partner

Membership Number: 110128

UDIN: 24110128BKBGXT8837

Place: Bengaluru

Date: May 29, 2024

Balance Sheet

(In PLN)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2.1	5,364,989	7,627,669
Right of use assets	2.2	48,070,837	52,379,994
Goodwill	2.3	22,046,332	22,046,332
Financial assets			
Investments	2.4	44,623,242	42,934,577
Loans	2.5	99,466,186	134,233,060
Other financial assets	2.6	4,404,051	5,972,176
Deferred tax assets (net)	2.16	10,784,390	14,619,044
Other non-current assets	2.9	299,338	–
Total non-current assets		235,059,365	279,812,852
Current assets			
Financial assets			
Trade receivables	2.7	118,694,737	110,463,685
Cash and cash equivalents	2.8	315,611,989	212,103,980
Loans	2.5	77,344	186,869
Other financial assets	2.6	21,902,332	23,674,792
Other current assets	2.9	16,571,109	25,738,723
Total current assets		472,857,511	372,168,049
Total Assets		707,916,876	651,980,901
Equity and liabilities			
Equity			
Equity share capital	2.11	2,500,000	2,500,000
Other equity		473,421,894	412,574,275
Total equity		475,921,894	415,074,275
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	45,404,881	56,364,526
Other financial liabilities	2.12	2,124,522	2,293,596
Total non - current liabilities		47,529,403	58,658,122
Current liabilities			
Financial liabilities			
Trade payables	2.13	8,093,062	4,419,512
Lease liabilities	2.2	16,266,187	15,685,413
Other financial liabilities	2.12	107,893,000	111,635,928
Other current liabilities	2.14	42,342,179	42,878,429
Provisions	2.15	1,414,607	1,557,444
Income tax liabilities (net)	2.16	8,456,544	2,071,778
Total current liabilities		184,465,579	178,248,504
Total equity and liabilities		707,916,876	651,980,901

The accompanying notes form an integral part of the financial statements

As per our report of even date attached	for and on behalf of the Board of Directors of Infosys Poland Sp. z o.o.	
for Deloitte Haskins & Sells LLP *Chartered Accountants*		
Firm Registration Number:117366W/ W-100018		
Gurvinder Singh *Partner*	Prasanth Nair *Director*	Arindam Roy Chowdhury *Director*
Membership No. 110128		

Palce: Bengaluru

Date: May 29, 2024

Statement of Profit and Loss

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

Particulars	Note	Years ended March 31, 2024	2023
Revenue from operations	2.17	620,274,476	589,002,928
Other income, net	2.18	16,542,364	444,733
Total income		636,816,840	589,447,661
Expenses			
Employee benefit expenses	2.19	431,114,304	381,685,722
Cost of technical sub-contractors and professional charges	2.19	65,253,207	76,978,564
Travel expenses		2,238,664	3,187,652
Cost of software packages and others		16,246,075	17,156,959
Depreciation and amortization expenses	2.1 & 2.2	17,447,231	18,949,479
Finance cost	2.2	4,020,286	4,335,915
Other expenses	2.19	23,473,351	28,740,537
Total expenses		559,793,118	531,034,828
Profit before tax		77,023,722	58,412,833
Tax expense			
Current tax	2.16	12,341,449	17,337,157
Deferred tax	2.16	3,834,654	(758,625)
		16,176,103	16,578,532
Profit for the year		60,847,619	41,834,301
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		–	–
Remeasurement of the net defined benefit (liability)/asset, net of tax		–	–
Equity instruments through other comprehensive income, net of tax		–	–
Items that will be reclassified subsequently to profit or loss		–	–
Total other comprehensive income, net of tax		–	–
Total comprehensive income for the Year		60,847,619	41,834,301
Earnings per equity share			
Equity shares of par value PLN 500/- each			
Basic and diluted (PLN)		12,169.52	8,366.86
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 Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

Palce: Bengaluru
Date: May 29, 2024

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

Prasanth Nair
Director

Arindam Roy Chowdhury
Director

Statement of Changes in Equity

(In PLN)

Particulars	Equity share capital	Other equity: Reserves & surplus – Securities premium (1)	Other equity: Reserves & surplus – Retained earnings	Other equity: Reserves & surplus – General reserve	Other equity: Capital reserve – Business transfer adjustment reserve(2)	Other equity: Other comprehensive income – Equity Instruments through other comprehensive income	Total equity attributable to equity holders of the company
Balance as at April 1, 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 Year	–	–	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
Balance as at April 01, 2023	2,500,000	24,999,800	445,730,173	2,173,202	(60,800,000)	471,100	415,074,275
Changes in equity for the year ended March 31, 2024							
Profit for the Year	–	–	60,847,619	–	–	–	60,847,619
Total Comprehensive Income for the year	–	–	60,847,619	–	–	–	60,847,619
Balance as at March 31, 2024	2,500,000	24,999,800	506,577,792	2,173,202	(60,800,000)	471,100	475,921,894

(1) Securities premium- refer note 2.11

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

Palce: Bengaluru

Date: May 29, 2024

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

Prasanth Nair
Director

Arindam Roy Chowdhury
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 company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In PLN)

Particulars	Note	Years ended March 31,	
		2024	2023
Cash flow from operating activities:			
Profit for the year		60,847,619	41,834,301
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.16	16,176,103	16,578,532
Depreciation and amortization	2.1 & 2.2	17,447,231	18,949,479
Finance cost		4,020,286	4,335,915
Interest on bank deposits and others		(19,316,190)	(11,335,841)
Impairment loss recognized/(reversed) under expected credit loss model		(678,117)	1,179,415
Fair Value loss/(gain) on investments		860,498	22,749,320
Exchange difference on the translation of assets and liabilities		9,333,906	(950,649)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(5,321,537)	31,201
Other financial assets and other assets		11,095,644	(13,377,737)
Trade payables		3,673,550	43,090
Other financial liabilities, other liabilities and provisions		(4,721,143)	22,587,881
Cash generated from operations		93,417,850	102,624,907
Income taxes paid, net of refunds		(5,956,684)	(20,315,819)
Net cash generated by operating activities		87,461,166	82,309,088
Cash flow from investing activities:			
Expenditure on property, plant and equipment (net of sale proceeds)		(1,761,723)	(3,807,273)
Loans (given)/ repaid by employees		88,007	(62,992)
Interest received on bank deposits and others		22,446,244	7,744,812
Loan given to fellow subsidiary		–	(57,178,067)
Loan repaid by fellow subsidiary		19,894,685	79,523,733
Payments to acquire financial assets			
Preference and other securities		(5,819,553)	(8,965,150)
Net cash from investing activities		34,847,660	17,255,063
Cash flow from financing activities:			
Payment of lease liabilities		(19,713,889)	(15,570,731)
Financial liability under financial arrangement		2,740,313	6,435,057
Repayment towards Financial liability under revenue deals		(2,610,259)	(2,343,002)
Net cash used in financing activities		(19,583,835)	(11,478,676)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		783,018	(148,082)
Net increase in cash and cash equivalents		102,724,991	88,085,475
Cash and cash equivalents at the beginning	2.8	212,103,980	124,166,587
Cash and cash equivalents at the end	2.8	315,611,989	212,103,980

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Firm Registration Number:117366W/ W-100018

Gurvinder Singh
Partner

Membership No. 110128

Palce: Bengaluru

Date: May 29, 2024

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

Prasanth Nair
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, bookkeeping and auditing activities, tax consultancy, computer consultancy activities, computer facilities management activities, other information technology and computer service activities, data processing, hosting and related activities, other information service activities not elsewhere classified, business and other management consultancy activities, research and experimental development on social sciences and humanities and other professional, scientific and technical activities not elsewhere classified.

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

The Company's financial statements are approved by the Company's Board of Directors on May 29, 2024.

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 and for issuing annual performance report ("APR") which is required to be furnished by the Holding company, Infosys BPM Limited to Authorised Bank in accordance with regulation 10 of Foreign Exchange Management (Overseas investment) regulations.

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 i.e House of fund. 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 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 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 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 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. Also 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. Also Refer to Note no. 2.16

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

c. Property, plant and equipment

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

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

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 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, 2024 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, 2023	11,243,894	843	2,955,206	24,047,650	2,782,489	41,030,082
Additions	–	–	7,141	1,762,215	–	1,769,356
Deletions	(426,910)	–	(248,625)	(3,831,635)	(1,535,993)	(6,043,163)
Gross carrying value as at March 31, 2024	10,816,984	843	2,713,722	21,978,230	1,246,496	36,756,275
Accumulated depreciation as at April 1, 2023	11,226,328	797	2,733,234	16,779,603	2,662,451	33,402,413
Depreciation	13,953	40	71,593	3,892,623	46,195	4,024,404
Accumulated depreciation on deletions	(426,910)	–	(248,625)	(3,824,003)	(1,535,993)	(6,035,531)
Accumulated depreciation as at March 31, 2024	10,813,371	837	2,556,202	16,848,223	1,172,653	31,391,286
Carrying value as of March 31, 2024	3,613	6	157,520	5,130,007	73,843	5,364,989
Carrying value as at April 1, 2023	17,566	46	221,972	7,268,047	120,038	7,627,669

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 at 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 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.

As a lessee, the Company determines 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.

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 of whether it will exercise an extension or a termination option.

Lease liability and Right-of-use assets 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 March 31, 2024:

(In PLN)

Particulars	Category of ROU asset		Total
	Buildings	Computers	
Balance as of April 1, 2023	52,047,022	332,972	52,379,994
Additions/Adjustments[1]	3,550,504	6,707,325	10,257,829
Deletions	(66,329)	(1,077,829)	(1,144,158)
Depreciation	(12,667,212)	(755,616)	(13,422,828)
Balance as of March 31, 2024	42,863,985	5,206,852	48,070,837

(1) Net of adjustments on account of modifications

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

(In PLN)

Particulars	Category of ROU asset		Total
	Buildings	Computers	
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	(1,208,469)	(178,591)	(1,387,060)
Depreciation	(14,513,873)	(112,048)	(14,625,922)
Balance as of March 31, 2023	52,047,022	332,972	52,379,994

* Net of adjustments on account of modifications

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, 2024 and March 31, 2023 is as follows:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Non-current lease liability	45,404,881	56,364,526
Current lease liability	16,266,187	15,685,413
Total	61,671,068	72,049,939

The movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023 is as follows:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Balance as of April 1, 2023	72,049,939	89,402,218
Additions/Adjustments	10,404,917	(5,033,176)
Deletions	(75,776)	(1,265,737)
Finance cost accrued during the period	3,438,441	3,955,425
Payment of lease liabilities	(19,713,889)	(15,570,731)
Translation difference	(4,432,564)	561,940
Balance as of March 31, 2024	61,671,068	72,049,939

Rental expense recorded for short-term leases was PLN 1,744,146 for the year ended March 31, 2024 and PLN 1,319,072 for the year ended March 31, 2023.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Less than one year	19,022,305	20,103,279
One to five years	48,577,051	63,103,895
More than five years	–	–
Total	67,599,356	83,207,174

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.

Impairment

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 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.

Following is a summary of changes in the carrying amount of goodwill:

(In PLN)

Particulars	As at March 31,	
	2024	2023
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, 2024 the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(In %)

Particulars	As at March 31,	
	2024	2023
Long-term growth rate	2-5	2-5
Operating margins	10-11	10-11
Discount rate	11.01	13.2

2.4 Investments

(In PLN)

Particulars	As at March 31,	
	2024	2023
Non-current investments		
Other securities	44,623,242	42,934,577
Total non-current investments	44,623,242	42,934,577
Total carrying value	44,623,242	42,934,577

(In PLN)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unquoted investments- carried at fair value through profit or loss		
The House Fund II,III,L.P.- other securities[(1)]	44,623,242	42,934,577
Total non-current investments	44,623,242	42,934,577
Aggregate amount of unquoted investments	44,623,242	42,934,577
Investment carried at fair value through Profit or Loss	44,623,242	42,934,577

(1) The Company has uncalled capital commitment for 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	Fair Value As at March 31, 2024	Fair Value As at March 31, 2023
Other securities	Discounted cash flows method, Market multiple method	44,623,242	42,934,577

2.5 Loans

(In PLN)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered doubtful		
Loans to employees	31,403	9,884
Less: Allowance for doubtful loans to employees	–	–
	31,403	9,884
Unsecured, considered good		
Loans to fellow subsidiaries (Refer to Note 2.21) [(1)]	99,434,783	134,223,176
	99,466,186	134,233,060
Current		
Unsecured, considered good		
Loans to employees	77,344	186,869
Total current loans	77,344	186,869
Total Loans	99,543,530	134,419,929
[(1)] Includes dues from related parties (Refer to Note 2.21)	99,434,783	134,223,176

2.6 Other financial assets

(In PLN)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Rental deposits [(1)]	797,606	2,838,271
Unbilled revenues [(1)]#	1,466,916	2,114,711
Investment in lease	2,139,529	1,019,194
Total non-current other financial assets	4,404,051	5,972,176

Particulars	As at March 31,	
	2024	2023
Current		
Security deposits [1]	2,312,039	5,339
Unbilled revenues [1]#	15,965,159	15,511,809
Interest accrued but not due[1](3)	1,333,903	215,722
Foreign currency forward contracts[2]	–	6,832,200
Investment in lease	1,397,160	–
Others[1](3)	894,071	1,109,722
Total current other financial assets	21,902,332	23,674,792
Total financial assets	26,306,383	29,646,968
[1] Financial assets carried at amortized cost.	26,306,383	22,814,768
[2] Financial assets carried at fair value through Profit or Loss.	–	6,832,200
[3] Includes dues from related parties (Refer to Note 2.21)	573,073	253,167

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,	
	2024	2023
Current		
Unsecured		
Trade Receivable considered good - Unsecured[1]	119,903,689	112,402,511
Less: Allowance for expected credit loss	(1,208,952)	(1,938,826)
Trade Receivable considered good - Unsecured	118,694,737	110,463,685
Trade Receivable - credit impaired - Unsecured	471,859	–
Less: Allowance for credit impairment	(471,859)	–
Trade Receivable - credit impaired - Unsecured	–	–
Total trade receivables	118,694,737	110,463,685
[1] Includes dues from related parties	19,948,442	16,366,564

The table below provides details regarding the ageing of Trade receivables as at March 31, 2024

(In PLN)

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	94,585,747	20,809,723	–	3,873,946	634,272	–	119,903,689
Undisputed Trade receivables - credit impaired	–	369,972	101,888	–	–	–	471,859
Disputed Trade Receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Less: Allowance for credit loss							(1,680,811)
Total trade receivables	94,585,747	21,179,695	101,888	3,873,946	634,272	–	118,694,737

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	6 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

2.8 Cash and cash equivalents

(In PLN)

Particulars	As at March 31,	
	2024	2023
Balances with banks		
In current and deposit accounts	315,607,275	212,099,212
Cash on hand	4,714	4,768
	315,611,989	212,103,980
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,	
	2024	2023
Non-current		
Advances other than capital advance		
Prepaid expenses	299,338	–
Total Non-current other assets	299,338	–
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	27,293	40,723
Others		
Withholding taxes and others(1)	5,977,522	9,361,699
Prepaid expenses	1,922,348	1,092,696
Unbilled revenues(2)	8,633,246	10,282,747
Deferred contract cost(3)	10,700	4,960,858
Total Current other assets	16,571,109	25,738,723
Total other assets	16,870,447	25,738,723

(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.

(3) Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Cost, which are expected to be amortized within twelve months from the Balance Sheet date have been presented as current

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 initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing 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 the Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 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)	315,611,989	–	–	315,611,989	315,611,989
Investments (Refer to Note 2.4)					
Preference and other securities	–	–	44,623,242	44,623,242	44,623,242
Trade receivables (Refer to Note 2.7)	118,694,737	–	–	118,694,737	118,694,737
Loans (Refer to Note 2.5)	99,543,530	–	–	99,543,530	99,543,530
Other financial assets (Refer to Note 2.6)[1]	26,306,383	–	–	26,306,383	26,306,383
Total	560,156,639	–	44,623,242	604,779,882	604,779,882
Liabilities:					
Trade payables (Refer to Note 2.13)	8,093,062	–	–	8,093,062	8,093,062
Lease Liabilities (Refer to Note 2.2)	61,671,068	–	–	61,671,068	61,671,068
Other financial liabilities (Refer to Note 2.12)	89,027,924	–	791,200	89,819,124	89,819,124
Total	158,792,054	–	791,200	159,583,254	159,583,254

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

The carrying value and fair value of financial instruments by categories as at March 31, 2023 were 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
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.

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.

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, 2024:

(In PLN)

Particulars	As at March 31, 2024	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in other securities (Refer to Note 2.4)	44,623,242	–	–	44,623,242
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	–	–	–	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	791,200	–	791,200	–

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 the end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in other securities (Refer to Note 2.4)	42,934,577	–	–	42,934,577
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	6,832,200	–	6,832,200	–
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	–	–	–	–

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks, including 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 each customer's individual characteristics 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 liabilities as at March 31, 2024:

(In PLN)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net Financial Assets	151,781,322	87,499,338	5,142,558	–	697,292	245,120,510
Net Financial Liabilities	(7,441,016)	(58,908,076)	(104,629)	–	(1,915,289)	(68,369,010)
Total	144,340,306	28,591,262	5,037,929	–	(1,217,997)	176,751,500

The following table analyzes foreign currency risk from financial assets and liabilities 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

Sensitivity analysis between Poland zloty and USD

Particulars	Years ended March 31,	
	2024	2023
Impact on the Company's incremental Operating Margins	0.68%	0.63%

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 with respect to outstanding foreign exchange forward contracts:

Particulars	As at March 31,			
	2024		2023	
	In million	In PLN	In million	In PLN
Forward contracts				
In US dollars	43	171,609,091	43	184,314,554
In United Kingdom Pound Sterling	–	–	3	15,907,668
Total forwards		171,609,091		200,222,222

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

(In PLN)

Particulars	As at March 31,	
	2024	2023
Not later than one month	–	42,863,850
Later than one month and not later than three months	171,609,091	157,358,372
	171,609,091	200,222,222

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

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

(In PLN)

Particulars	As at March 31,			
	2024		2023	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	–	(791,200)	6,832,200	–
Amount set off	–	–	–	–
Net amount presented in balance sheet	–	(791,200)	6,832,200	–

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 118,694,737 and PLN 110,463,685 as at March 31, 2024 and March 31, 2023 and unbilled revenue amounting to PLN 26,065,321 and PLN 27,909,267 as of March 31, 2024 and March 31, 2023, 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. In some cases, such financial assets written off could still be subject to enforcement activities by the Company in line with its policy of recovery of dues.

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

(In %)

Particulars	Years ended March 31,	
	2024	2023
Revenue from top customer	18%	16%
Revenue from top ten customers	56%	58%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was PLN 1,680,811. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 was PLN 1,938,826.

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, 2024, the Company had a working capital of PLN 288,391,932 including cash and cash equivalents of PLN 315,611,989. As of March 31, 2023, the Company had a working capital of PLN 193,919,545 including cash and cash equivalents of PLN 212,103,980.

As of March 31, 2024 and March 31, 2023, the outstanding compensated absences were PLN 20,198,399 and PLN 22,974,002 respectively, which have been substantially funded. Further, as of March 31, 2024 and March 31, 2023, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024:

(In PLN)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	8,093,062	–	–	–	8,093,062
Other financial liabilities (Refer Note 2.12)	86,903,401	2,124,523	–	–	89,027,924

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023:

(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 Note 2.12)	88,661,926	2,293,596	–	–	90,955,522

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,	
	2024	2023
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,			
	2024		2023	
	Number of shares	% held	Number of shares	% held
Infosys BPM Limited, the holding company	5,000	100.00	5,000	100.00

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

(In PLN, except as otherwise stated)

Particulars	As at March 31,			
	2024		2023	
	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,	
	2024	2023
Non-current		
Financial Liability under revenue deals[1]	2,124,523	2,293,596
Total non-current other financial liabilities	2,124,523	2,293,596
Current		
Others		
Accrued compensation to employees[1]	59,725,183	47,906,935
Capital creditors[1]	63,173	–
Financial Liability under revenue deals[1]	3,059,920	2,178,950
Accrued expenses[1]*	20,696,029	28,752,209
Other payables [1]**	3,359,096	9,823,832
Compensated absences	20,198,399	22,974,002
Foreign currency forward contracts[2]	791,200	–
Total current other financial liabilities	107,893,000	111,635,928
Total other financial liabilities	110,017,523	113,929,524
[1] Financial liability carried at amortized cost	89,027,924	90,955,522
[2] Financial liability carried at fair value through Profit or Loss	791,200	–
* Includes dues to related parties (Refer to Note 2.21)	1,337,718	1,882,638
** Includes dues to related parties (Refer to Note 2.21)	3,359,097	9,823,831

2.13 Trade payables

(In PLN)

Particulars	As at March 31, 2024	2023
Current		
Trade payables[1]	8,093,062	4,419,512
Total Trade payables	8,093,062	4,419,512
[1] Includes dues to related parties (Refer to Note 2.21)	339,745	321,478

As at March 31, 2024 and March 31, 2023, 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, 2024

(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	6,569,902	1,523,160	–	–	–	8,093,062
Disputed Dues- MSME	–	–	–	–	–	–
Disputed Dues- Others	–	–	–	–	–	–
Total trade payables	6,569,902	1,523,160	–	–	–	8,093,062

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

2.14 Other liabilities

(In PLN)

Particulars	As at March 31, 2024	2023
Current		
Unearned revenue	19,986,457	27,659,107
Others		
Withholding taxes and other payables	22,355,722	15,219,322
Total current other liabilities	42,342,179	42,878,429
Total other liabilities	42,342,179	42,878,429

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 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 the 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,	
	2024	2023
Current		
Others		
Post-sales client support and Other provisions	1,414,607	1,557,444
Total provisions	1,414,607	1,557,444

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,	
	2024	2023
Balance at the beginning	1,557,444	1,051,095
Provision recognized/(reversed)	30,260	1,840,175
Provision utilized	(143,410)	(1,281,480)
Exchange difference	(29,687)	(52,346)
Balance at the end	1,414,607	1,557,444

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 laws 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,	
	2024	2023
Current taxes	12,341,449	17,337,157
Deferred taxes	3,834,654	(758,625)
Income tax expense	16,176,103	16,578,532

Income tax expense for the year ended March 31, 2024 and March 31, 2023 includes reversals (net of provision) of PLN 520,471 and Provision (net of reversal) PLN 2,087,352 respectively, pertaining to earlier periods on completion of assessments.

Deferred income tax for the year ended March 31, 2024 and March 31, 2023, 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 below:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Profit before income taxes	77,023,722	58,412,833
Statutory tax rate	19.00%	19.00%
Computed expected tax expense	14,634,507	11,098,438
Tax provision (reversals)	(520,471)	2,087,352
Effect of non-deductible expenses	1,931,342	5,260,004
Others	130,725	(1,867,262)
Income tax expense	16,176,103	16,578,532

The applicable Poland statutory tax rates for fiscal 2024 and fiscal 2023 is 19% and 19% respectively.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2024 and March 31, 2023:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Income tax assets	–	–
Current Income tax liabilities	8,456,544	2,071,778
Net income tax Liabilities at the end	8,456,544	2,071,778

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2024 and March 31, 2024 is as follows:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Net income tax asset/ (liability) at the beginning	(2,071,778)	(5,050,440)
Income tax paid, net of refunds	5,956,683	20,315,819
Income tax expense	(12,341,449)	(17,337,157)
Net income tax asset/(Liability) at the end	(8,456,544)	(2,071,778)

The movement in gross deferred income tax assets and labilities (before set off) for the year ended March 31, 2024 is as follows:

(In PLN)

Particulars	Carrying Value as on April 01, 2023	Changes through Profit & Loss	Changes through other equity	Translation difference	Carrying Value as on March 31, 2024
Deferred tax assets:					
Accrued Compensation	3,136,732	620,177	–	–	3,756,909
Accrued vacation	4,365,060	(527,364)	–	–	3,837,696
Trade receivables	5,560,101	(3,517,357)	–	–	2,042,744
Lease Liabilities	3,737,290	(1,153,246)	–	–	2,584,044
Others	4,617,311	(616,676)	–	–	4,000,635
Total deferred tax assets	21,416,494	(5,194,466)	–	–	16,222,028
Deferred income tax liabilities					
Property, plant and equipment	(572,722)	158,718	–	–	(414,004)
Others	(6,224,728)	1,201,094	–	–	(5,023,634)
Total deferred tax liabilities	(6,797,450)	1,359,812	–	–	(5,437,638)

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 ultimate realization of deferred tax assets depends upon management's assessment of the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Management's assessment in the near term is subject to change if estimates of future taxable income during the carry-forward period are reduced.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that it is more likely than not the Company will realize the benefit of any deductible differences at March 31, 2024.

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 is 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 is 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 considerations, including rebates, volume discounts, and penalties. The Company includes variable consideration as part of transaction price when there is a basis to estimate the amount of the variable consideration reasonably 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 fulfill 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 is 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, 2024 and March 31, 2023 are follows:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Income from business process management services	620,274,476	589,002,928
	620,274,476	589,002,928

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.

During the year ended March 31, 2024 and March 31, 2023, the Company recognized revenue of PLN 20,502,281 and PLN 22,550,911 arising from opening unearned revenue as of April 1, 2023 and April 1, 2022 respectively.

During the year ended March 31, 2024 and March 31, 2023,PLN 9,730,535 and PLN 8,173,309 of unbilled revenue pertaining to fixed price development contracts as of April 1, 2023 and April 1, 2022 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

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, 2024 other than those meeting the exclusion criteria mentioned above is PLN 138,534,105. Out of this, the Group expects to recognize revenue of around 59.5% 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, 2024 and March 31, 2023 is as follows:

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Interest income on financial assets carried at amortized cost		
Deposit with banks and others	19,316,190	11,335,841
Exchange gains/(losses) on foreign currency forward and options contracts	16,513,950	15,794,750
Exchange gains/(losses) on translation of other assets and liabilities	(18,585,254)	(4,006,820)
Fair Valuation gains/ (losses) on Investments	(860,497)	(22,749,320)
Other Miscellaneous income,net	157,975	70,282
	16,542,364	444,733

2.19 Expenses

(In PLN)

Particulars	Years ended March 31,	
	2024	2023
Employee benefit expenses		
Salaries and bonus, including overseas staff expenses	424,638,208	377,571,549
Staff welfare	6,476,096	4,114,173
	431,114,304	381,685,722
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	59,165,426	66,679,218
Legal and professional	3,760,541	3,250,360
Recruitment and training	2,327,240	7,048,986
	65,253,207	76,978,564
Other expenses		
Computer maintenance	546,251	628,083
Office maintenance	10,541,999	8,679,338
Consumables	(45,909)	326,672
Brand building and advertisement	229,013	307,213
Marketing expenses	3,139	35,105

Particulars	Years ended March 31,	
	2024	2023
Power and fuel	670,792	1,165,681
Insurance charges	303,430	248,447
Rent	1,744,146	1,319,072
Communication	2,501,513	2,863,708
Rates and taxes	6,351,529	5,900,912
Bank charges and commission	928,173	1,065,517
Postage and courier	225,716	205,117
Allowances for credit losses on financial assets	(583,068)	1,075,450
Professional membership and seminar participation fees	84,539	51,889
Provision for post sale customer support and others	(95,050)	103,965
Other miscellaneous expenses	67,138	4,764,368
	23,473,351	28,740,537

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,	
	2024	2023
Contingent liabilities		
Claims against the Company, not acknowledged as debts[1]	–	–
Commitments		
Estimated amount of unexecuted capital contracts[2]	764,990	721,723
(net of advances and deposits)		
Other commitments[3]	35,179,863	43,935,445

[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 comprise commitments for infrastructure, facilities, and computer equipment.

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

2.21 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holding as at March 31,	
		2024	2023
Ultimate Holding Company			
Infosys Limited	India	Ultimate Holding Company	Ultimate Holding Company
Holding Company			
Infosys BPM Limited[1]	India	Holding company	Holding company

Fellow subsidiaries	Country
Infosys Technologies (China) Co. Limited (Infosys China)[1]	China
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)[2]	China
Infosys (Czech Republic) Limited s.r.o.	Czech Republic
Infosys Luxembourg S.a.r.l[1]	Luxembourg
Infosys Consulting AG[2]	Switzerland
oddity code d.o.o [6]	Serbia
Infosys Consulting Pte. Ltd. (Infosys Singapore)[1]	Singapore
Infosys Consulting GmbH[3]	Germany
Infosys Consulting S.R.L.[1]	Romania
Infosys Automotive and Mobility GmbH & Co. KG[5]	Germany
Infy Consulting Company Ltd[2]	U.K.
Infosys Consulting (Belgium) NV[3]	Belgium
Infosys Compaz Pte. Ltd [4]	Singapore

(1) Wholly-owned subsidiary of Infosys Limited

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

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

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

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

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

The details of amounts due to or due from related parties as at March 31, 2024, March 31, 2023 are as follows:

(In PLN)

Particulars	As at March 31,	
	2024	2023
Loans to subsidiaries		
Infosys Technologies (China) Co. Limited	60,419	22,641,415
Infosys Automotive and Mobility GmbH & Co. KG	30,466,367	33,239,553
Infosys Technologies (Shanghai) Company Limited	21,076,137	26,401,311
Infosys Singapore Pte. Ltd.	47,831,860	51,940,897
	99,434,783	134,223,176
Trade receivables		
Infosys Limited	16,198,639	12,344,687
Infosys BPM Limited	1,216,529	800,253
Infosys Consulting AG	651,791	2,775,235
Infosys Consulting GmbH	15,284	308,129
Infosys Fin Services GmBH	1,783,455	–
Infosys Luxembourg S.à.r.l	82,744	138,260
	19,948,442	16,366,564
Other Receivables		
Infosys Limited	79,028	31,422
Infosys Automotive and Mobility GmbH & Co. KG	140,575	–
Infosys (Czech Republic) Ltd	2,602	–
Infosys BPM Limited	350,868	221,745
	573,073	253,167
Trade payables		
Infosys BPM Limited	252,270	91,429
Infy Consulting Company Limited	–	188,526
Infosys (Czech Republic) Limited s.r.o.	56,487	11,418
Infosys Technologies China	9,709	1,687
Infosys Consulting S.R.L. (Romania)	21,279	28,418
	339,745	321,478
Other Payables		
Infosys Limited	3,358,844	1,351,838
Infosys BPM Limited	253	–
Infosys Automotive and Mobility GmbH & Co. KG	–	8,471,993
	3,359,097	9,823,831
Provision for expenses		
Infosys Limited	1,337,718	1,882,638
	1,337,718	1,882,638

Details of related party transactions entered into by the Company

(In PLN)

Particulars	Years ended March 31, 2024	2023
Revenue transactions		
Purchase of services		
Infosys BPM Limited	2,708,795	1,346,165
Infosys Limited	(6,775)	775,893
Infosys (Czech Republic) Limited s.r.o.	449,781	473,956
Infy Consulting Company Ltd	2,908	355,154
Infosys Consulting Romania	217,716	468,683
Infosys Technologies China	67,574	83,361
Oddity Code d.o.o	–	11,102
	3,439,999	3,514,314
Sale of services		
Infosys Limited	141,671,677	117,200,736
Infosys BPM Limited	9,565,544	10,694,489
Infosys Fin Services GmBH	3,708,038	–
Infosys Consulting AG	3,458,529	10,827,954
Infosys Luxembourg S.à.r.l	455,594	1,079,470
Infosys Consulting GmbH	382,814	5,254,573
	159,242,196	145,057,222
Interest income		
Infosys Technologies (Shanghai) Company Limited	1,329,684	1,181,693
Infosys Technologies (China) Co. Limited	1,083,116	1,121,509
Infosys Automotive and Mobility GmbH & Co. KG	1,811,605	3,122,100
Infosys Consulting Pte. Ltd	2,473,236	1,269,520
	6,697,641	6,694,822
Sale of shared services including facilities and personnel		
Infosys BPM Limited	1,614	1,923
Infosys Automotive and Mobility GmbH & Co. KG	141,124	–
	142,738	1,923
Purchase of shared services including facilities and personnel		
Infosys Limited	2,040,191	631,253
Infosys Automotive and Mobility GmbH & Co. KG	4,871,804	6,236,778
	6,911,995	6,868,031

List of key management personnel

Name of the related party	Designation
Prasanth Nair	Member of the Management Board
Sanjay Arora	Member of the Management Board
Satish Nair	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, 2024	2023
Salaries and other employee benefits to whole-time directors and executive officers[1]	522,722	433,160
Total	522,722	433,160

[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 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, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	Years ended March 31, 2024	2023	% of Varianace
Current Ratio	Current assets	Current liability	2.6	2.1	23.8%
Debt – Equity Ratio[5]	Total Debt[1]	Shareholder's Equity	0.1	0.2	(50.0%)
Debt Service Coverage Ratio[6]	Earnings available for debt service[2]	Debt Service[3]	4.2	5.7	(26.3%)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	13.7%	10.6%	3.0%
Trade receivables turnover ratio[7]	Net Credit Revenue	Average Accounts Receivable	5.4	5.1	27.5%
Trade payables turnover ratio[8]	Net Credit Purchase of services/ consumables	Average Trade Payables	17.2	27.8	43.3%
Net capital turnover ratio[9]	Net Sales	Working Capital	2.2	3.0	(26.7%)
Net profit ratio	Net Profit	Net Sales	9.8%	7.1%	2.7%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	18.3%	16.6%	1.7%
Return on Investment					
Unquoted[10]	Income from investments	Time weighted average investments	(13.3%)	(30.5%)	(56.4%)

[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

[5] Debt Equity ratio decreased due to decrease in lease liability on termination of contracts

[6] Debt Service ratio decreased due to decrease in earnings available for debt on fair valuation loss in FY'23 and increase in lease payments

[7] Trade Receivables turnover ratio increased due to improvement in DSO

[8] Trade Payable turnover ratio improved due to timely payment to the Payables

[9] Net Capital turnover ratio improved due to improvement in working capital on receipt of loan

[10] Unquoted Return on Investment (ROI) due to fair valuation loss on Tidal Scale in FY'23

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

Place: Bengaluru	Prasanth Nair	Arindam Roy Chowdhury
Date: May 29, 2024	*Director*	*Director*

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

Introduction

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

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

Fields of activity:

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

2. Activities of accounting advisors and accounts keeping

Description of activities:

Technical Contact Center

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

Support provided in most of European languages.

Finance and Accounting

Providing expert accounting support in the following areas:

- Trade payables
- Trade receivables
- Travel expenses
- General ledger

Insurance services

Processes:

Underwriting Support (all stages of insurance policies)

Banking Services

Providing services to European clients of American banking institutions in the process of onboarding 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 sales activities in the European region for an American Hi-Tech Manufacturer.

Other Services

Small client operations with the following processes:

- Translation & interpretation support
- Remote Warehouse software support
- Remote quality control
- Transition and due-diligence support
- Project Management support
- Process and Operation Consulting
- Application Development and

Maintenance

- IT Services Management

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

- •about facts which occurred after the balance sheet date and are material for the fulfilment of the purpose of this Annual Report

No such facts occurred after the Balance Sheet date.

Change of the Statutory Executive:

On 14 April 2023, Mr. Kapil Jain ceased to be the Statutory Executive of the Company. On 15 April 2023, Mr. Ritesh Gandhi became the

Statutory Executive of the Company. This change of the Statutory Executive was registered in the Register of Companies on 17 April 2023.

Changes in the Supervisory Board:

On 14 April 2023, Mr. Ritesh Gandhi ceased to be a member and the chairman of the Supervisory Board of the Company. This change in the Supervisory Board was registered in the Register of Companies on 17 April 2023.

On 26 June 2023, Mr. Vijay Arvind Narsapur became a member of the Supervisory Board of the Company. On 25 July 2023, Mr. Vijay Arvind Narsapur became the chairman of the Supervisory Board of the Company. These changes in the Supervisory Board were registered in the Register of Companies on 22 August 2023.

- about forecasted development in activities of the reporting unit

The revenues from services for 2023-24 amounted to CZK 1,335,975 thousand compared with CZK 1,205,873 thousand for 2022-23. The number of employees as at 31 March 2024 (including employees on maternity and parental leave) amounted to 1,269 (31 March 2023 – 1,592 employees).

It is expected that in 2024-25, there will be 1,117 employees (excluding employees on maternity and parental leave) and a turnover of CZK 1,061,168 thousand.

The Statutory Executive of the Company is 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.

•about any R&D activities: none

•about acquisition of own shares or own ownership interests

The Company acquired no own shares or ownership interests.

•about any 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.

- About labour-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.

Enclosures:

1. Balance Sheet as at 31 March 2024
2. Profit and Loss Statement for the period from 1 April 2023 to 31 March 2024
3. Notes to the Financial Statements
4. Report on Relations 2023-24
5. Independent Auditor's Report

Date:: May 29, 2024

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 31 March 2024, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Infosys (Czech Republic) Limited s.r.o. as of 31 March 2024, 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 Statutory Executive 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 29 May 2024

Audit firm:
Deloitte Audit s.r.o.
Registration no. 079

Statutory auditor:
Miroslav Zigáček
registration no. 2222

Balance Sheet

(In CZK thousand)

Sl. No.	Particulars	As at March 31,			
		2024			2023
		Gross	Adjustment	Net	Net
	Total assets	729,397	158,259	571,138	635,514
B.	Fixed assets	190,467	158,007	32,460	31,226
B.I.	Intangible fixed assets	3,092	3,092	–	482
B.I.2.	Valuable rights	3,092	3,092	–	482
B.I.2.1.	Software	3,092	3,092	–	482
B.II.	Tangible fixed assets	187,375	154,915	32,460	30,744
B.II.1.	Land and structures	48,373	41,828	6,545	9,744
B.II.1.2.	Structures	48,373	41,828	6,545	9,744
B.II.2.	Tangible movable assets and sets of tangible movable assets	131,946	113,087	18,859	21,000
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	7,056	–	7,056	–
B.II.5.2.	Tangible fixed assets under construction	7,056		7,056	–
C.	Current assets	521,240	252	520,988	590,816
C.II.	Receivables	309,446	252	309,194	357,536
C.II.1.	Long-term receivables	33,921	–	33,921	24,696
C.II.1.4.	Deferred tax asset	23,142	–	23,142	13,520
C.II.1.5.	Receivables - other	10,779	–	10,779	11,176
C.II.1.5.2.	Long-term prepayments made	10,779	–	10,779	11,176
C.II.2.	Short-term receivables	275,525	252	275,273	332,840
C.II.2.1.	Trade receivables	207,678	252	207,426	206,012
C.II.2.4.	Receivables - other	67,847	–	67,847	126,828
C.II.2.4.3.	State - tax receivables	19,824	–	19,824	13,074
C.II.2.4.4.	Short-term prepayments made	202	–	202	–
C.II.2.4.5.	Estimated receivables	47,612	–	47,612	99,206
C.II.2.4.6.	Sundry receivables	209	–	209	14,548
C.IV.	Cash	211,794	–	211,794	233,280
C.IV.1.	Cash on hand	–	–	–	4,976
C.IV.2.	Cash at bank	211,794	–	211,794	228,304
D.	Other assets	17,690	–	17,690	13,472
D.1.	Deferred expenses	17,690	–	17,690	13,369
D.3.	Accrued income	–	–	–	103

(In CZK thousand)

Sl. No.	Particulars	As at March 31,	
		2024	2023
	Total equity and liabilities	571,138	635,514
A.	Equity	307,453	271,846
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 (+/-)	251,221	263,645
A.IV.1.	Accumulated profits or losses brought forward (+/-)	251,221	263,645
A.V.	Profit or loss for the current period (+/-)	35,607	(12,424)
B.+C.	Liabilities	248,449	349,797
B.	Reserves	22,295	42,564
B.IV.	Other reserves	22,295	42,564
C.	Payables	226,154	307,233
C.II.	Short-term payables	226,154	307,233
C.II.3.	Short-term prepayments received	115	115
C.II.4.	Trade payables	64,447	101,824
C.II.8.	Other payables	161,592	205,294
C.II.8.3.	Payables to employees	409	183
C.II.8.4.	Social security and health insurance payables	(24)	22
C.II.8.5.	State - tax payables and subsidies	3	2
C.II.8.6.	Estimated payables	156,299	203,886
C.II.8.7.	Sundry payables	4,905	1,201
D.	Other liabilities	15,236	13,871
D.1.	Accrued expenses	15,238	13,871
D.2.	Deferred income	–	

Profit and Loss Account

(In CZK thousand)

Sl. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
I.	Sales of products and services	1,335,975	1,205,873
A.	Purchased consumables and services	183,124	389,418
A.2.	Consumed material and energy	8,068	12,999
A.3.	Services	175,056	376,419
D.	Staff costs	1,110,988	785,827
D.1.	Payroll costs	790,828	575,524
D.2.	Social security and health insurance costs and other charges	320,160	210,303
D.2.1.	Social security and health insurance costs	269,829	194,935
D.2.2.	Other charges	50,331	15,368
E.	Adjustments to values in operating activities	20,053	18,822
E.1.	Adjustments to values of intangible and tangible fixed assets	20,078	18,714
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	20,078	18,714
E.3.	Adjustments to values of receivables	25	108
III.	Other operating income	211	27,663
III.3.	Sundry operating income	211	27,663
F.	Other operating expenses	5,674	38,993
F.3.	Taxes and charges	186	64
F.4.	Reserves relating to operating activities and complex deferred expenses	(20,268)	33,985
F.5.	Sundry operating expenses	25,756	4,944
*	Operating profit or loss (+/-)	16,347	476
VI.	Interest income and similar income	1,145	4,274
VI.2.	Other interest income and similar income	1,145	4,274
VII.	Other financial income	45,936	21,423
K.	Other financial expenses	21,753	38,660
*	Financial profit or loss (+/-)	25,328	(12,963)
**	Profit or loss before tax (+/-)	41,675	(12,487)
L.	Income tax	6,068	(63)
L.1.	Due income tax	15,689	7,357
L.2.	Deferred income tax (+/-)	(9,621)	(7,420)
**	Profit or loss net of tax (+/-)	35,607	(12,424)
***	Profit or loss for the current period (+/-)	35,607	(12,424)
*	Net turnover for the current period	1,383,267	1,259,233

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, 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
Distribution of profit or loss			(12,424)	12,424	
Profit or loss for the current period				35,607	35,607
Balance at March 31, 2024	18,750	1,875	251,221	35,607	307,453

Cash Flow Statement

(In CZK thousand)

Sl. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
P.	Opening balance of cash and cash equivalents	233,280	200,020
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	41,675	(12,487)
A.1.	Adjustments for non-cash transactions	(1,361)	48,532
A.1.1.	Depreciation of fixed assets	20,078	18,714
A.1.2.	Change in provisions and reserves	(20,294)	34,092
A.1.3.	Profit/(loss) on the sale of fixed assets		
A.1.5.	Interest expense and interest income	(1,145)	(4,274)
A.*	Net operating cash flow before changes in working capital	40,314	36,045
A.2.	Change in working capital	(16,641)	13,544
A.2.1.	Change in operating receivables and other assets	63,073	(188,294)
A.2.2.	Change in operating payables and other liabilities	(79,714)	201,838
A.**	Net cash flow from operations before tax	23,673	49,589
A.4.	Interest received	1,145	4,274
A.5.	Income tax paid from ordinary operations	(24,992)	(17,499)
A.***	Net operating cash flows	(174)	36,364
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(21,312)	(7,163)
B.2.	Proceeds from fixed assets sold		4,059
B.***	Net investment cash flows	(21,312)	(3,104)
	Cash flow from financial activities		
C.***	Net financial cash flows		
F.	Net increase or decrease in cash and cash equivalents	(21,486)	33,260
R.	Closing balance of cash and cash equivalents	211,794	233,280

Notes to the Financial Statements (unconsolidated)

1. General Information and Description of the Business

Incorporation and Description of the Company

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

Reporting period

April 1, 2023 – March 31, 2024

Company Owners

The Company's shareholder as of March 31, 2024:

INFOSYS BPM LIMITED100 %

561 229 Bengaluru, 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, 2024 is: RITESH GANDHI

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, 2024:

Chairman of the Supervisory Board:

Vijay Arvind Narsapur

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, Bengaluru, 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, Bengaluru, 561 229 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, 2024, the following changes were recorded:

Statutory Executive:

Ritesh Gandhi, born on April 23, 1975

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

Date of appointment: April 15, 2023

Kapil Jain, born on March 3, 1967

SW193LA London, 8 Tybenham Road, United Kingdom of Great Britain and Northern Ireland

Date of termination of office: April 14, 2023

Chairman of the Supervisory Board

Ritesh Gandhi, born on April 23, 1975

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

Date of termination of office: April 14, 2023

Date of termination of membership: April 14, 2023

Chairman of the Supervisory Board

Vijay Arvind Narsapur, born on January 1, 1972

560066 Whitefield Main Road, Varthur Kodi, Bangalore, B-174 Prestige Ozone, India Date of appointment: 25 July 2023

Date of membership: June 26, 2023

Organizational structure

The Company is managed by the Statutory Executive.

2. Significant accounting policies applied by the Company

The financial statements were prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter "the Accounting Act") and Regulation No. 500/2002 Coll. of the Ministry of Finance of the Czech Republic, which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended (hereinafter "the Regulation").

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

Estimation of uncertainties concerning the war in Ukraine: The Company assessed possible impacts on the carrying amounts of receivables and uninvoiced revenues that may arise from the ongoing 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 in 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 an 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 this transfer pricing agreement.

(n) Subsequent events

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

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

3. Changes in accounting principles and policies

In the year ended March 31, 2024, no changes were made in the accounting principles and policies.

4. Tangible fixed assets

(In CZK thousand)

	Buildings	Machinery and equipment, Account No. 042	Total
Cost			
Balance at April 1, 2023	46,823	119,240	166,063
Additions	1,550	19,762	21,312
Disposals			
Exchange rate differences			
Reclassification			
Balance at March 31, 2024	48,373	139,002	187,375

	Buildings	Machinery and equipment, Account No. 042	Total
Accumulated depreciation			
Balance at April 1, 2023	37,079	98,240	135,319
Depreciation	4,749	14,847	19,596
Accumulated depreciation on disposals			
Reclassification			
Balance at March 31, 2024	41,828	113,087	154,915
Net book value at April 1, 2023	9,744	21,000	30,744
Net book value at March 31, 2024	6,545	25,915	32,460

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, 2022	46,823	112,077	158,900
Additions		7,163	7,163
Disposals			
Exchange rate differences			
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

5. Assets held under leases

Operating leases

In the reporting period, the Company held non-residential premises under leases; the premises were located at the following address: Vlněna 526/1, Trnitá, Brno (new lease agreements were entered into with the validity from March 15, 2020 with the option of further extension). The validity of the lease agreement at Holandská 9, Brno, 639 00 was terminated as of March 15, 2020. The total lease expenses amounted to CZK 56,497 thousand and CZK 42,199 thousand in the years ended March 31, 2024 and 2023, respectively.

6. Trade receivables and payables

(a) Short-term trade receivables amounted to CZK 207,678 thousand (March 31, 2023: CZK 206,289 thousand), of which CZK 46,099 thousand (March 31, 2023: CZK 83,962 thousand) included past-due receivables. The provision against doubtful receivables amounted to CZK 252 thousand and CZK 277 thousand as of March 31, 2024 and 2023, respectively.

(b) Short-term trade payables amounted to CZK 64,447 thousand (March 31, 2023: CZK 101,824 thousand), of which CZK 49,838 thousand (March 31, 2023: CZK 5,747) included past-due payables. The Company records no payables with maturity exceeding five years.

7. Advance payments made

Short-term advance payments made include prepayments for the lease of residential and non-residential premises in the amount of CZK 202 thousand (March 31, 2023: CZK 0 thousand).

Long-term advance payments made include prepayments (deposit) for the lease of office premises in the amount of CZK 10,779 thousand (March 31, 2023: CZK 11,176 thousand).

8. Statement of Changes in Equity

As of the date of signing the financial statements, no decision was made about the transfer of profit for 2023-24. The Company's management anticipates transferring the profit generated in the reporting period to retained earnings.

9. Reserves

(In CZK thousand)

	Reserve for outstanding vacation days	Reserve for risks	Reserve for income	Reserve for other risks	Total
Balance at April 1, 2023	21,175	407	–	20,982	42,564
Change in reserves	6,955	(349)	–	13,663	20,269
Other adjustments			–*		–
Balance at March 31, 2024	14,220	756	–	7,319	22,295

* The income tax reserve in the amount of CZK 0 thousand (March 31, 2023: CZK 1,875 thousand), the advance payments made in the amount of CZK 16,505 thousand (March 31, 2023: CZK 9,077 thousand), and the resulting receivable is reported in the line 'State – tax receivables' in the amount of CZK 16,505 thousand (March 31, 2023: 'Income tax reserve' in the amount of CZK 7,202 thousand). The value added tax receivable in the amount of CZK 3,321 thousand as at March 31, 2024 (March 31, 2023: CZK 5,872 thousand) is also reported in the line 'State – tax receivables'.

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 756 thousand (March 31, 2023: CZK 407 thousand) and the reserve for other risks amounts to CZK 7,319 thousand (March 31, 2023: CZK 20,982 thousand). The reserve for outstanding vacation days amounts to CZK 14,220 thousand (March 31, 2023: CZK 21,175 thousand).

10. Sales

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

(In CZK thousand)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	In- country	Europe + US	India	Total	In- country	Europe + US	India	Total
Advisory, HW and SW consulting	116,527	240,882	978,566	1,335,975	92,268	267,983	845,622	1,205,873
Total	116,527	240,882	978,566	1,335,975	92,268	267,983	845,622	1,205,873

11. Related party transactions

(a) Trade receivables and payables

(In CZK thousand)

Particulars	Receivables at March 31, 2024	Receivables at March 31, 2023	Payables at March 31, 2024	Payables at March 31, 2023
Infosys Poland Sp.z.o.o	332	57	–	–
Infosys BPM Ltd	2,323	283	15	394
Infosys Limited	93,492	68,513	567	1,371
Infosys Austria GmbH	229	2,768	–	–
Infosys Automotive and Mobility GmbH & Co.KG	34,146	54,470	41,676	91,785
Infosys Consulting (Belgium)	157	212	–	–
Infosys Consulting AG (Switzerland)	191	705	–	–

Particulars	Receivables at March 31, 2024	Receivables at March 31, 2023	Payables at March 31, 2024	Payables at March 31, 2023
Infosys Consulting Co. Ltd.	499	552	–	–
Portland Group Pty. Limited	31	883	–	–
Infosys Luxembourg S.a.r.l	0	3	–	–
Infosys McCamish System LLC	1,238	2,193	–	–
Infosys Technologies (China) Co. Limited (Infosys China)	475	1,587	1	42
Infosys Technologies (Sweden) AB (Infosys Sweden)(	224	35	–	–
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	35	238	–	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	11,172	7,549	–	–
Infosys Consulting S.R.L. (Romania)	239	579	–	–
Infosys Consulting S.R.L (Lodestone Argentina)	668	419		–
Infosys Consulting Ltda.	327	962	–	–
Infosys Singapore Pte. Ltd.	44	1,070	–	–
Infosys Middle East FZ LLC	29	12	–	–
Total	145,851	143,090	42,275	93,592

(b) Sales of goods and services and purchases thereof

(In CZK thousand)

Year ended March 31, 2024	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH	77,619	–
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	2,867	–
Infosys Austria GmbH	462	–
Infosys Technologies (China) Co. Limited (Infosys China)	2,292	119
Infosys Consulting S.R.L.(Lodestone Argentina)	206	–
Infosys Consulting (Belgium) NV	941	–
Infosys Consulting AG (Switzerland)	364	–
Infy Consulting Company Ltd	3,768	–
Infosys Consulting S.R.L.(Romania)	528	–
Infosys Luxembourg S.a.r.l	3	–
Infosys Poland Sp z.o.o	2,499	–
Infosys Technologies (Sweden) AB (Infosys Sweden)	1,286	–
Infosys Limited	971,481	(66)
Infosys BPM Ltd	5,185	2,391
Infosys McCamish Systems LLC	5,402	–
Portland Group Pty Ltd	383	–
Infosys Corp. LTDA (BR)	284	–
Lodestone Singapore	50	–
Lodestone Brazil	1,826	–
Lodestone Mexico	165	–
Total	1,077,611	2,444

(In CZK thousand)

Year ended March 31, 2023	Sales for the year	Purchases for the year
Infosys Automotive and Mobility GmbH & Co. KG	86,237	–
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi	7,776	–
Infosys Austria GmbH	3,994	–
Infosys Technologies (China) Co. Limited (Infosys China)	3,723	410
Infosys Consulting S.R.L. (Lodestone Argentina)	372	–
Infosys Consulting (Belgium) NV	2,547	–
Infosys Consulting AG (Switzerland)	2,249	–
Infy Consulting Company Ltd	3,783	–
Infosys Consulting S.R.L. (Romania)	1,374	–
Infosys Luxembourg S.a.r.l	12	–
Infosys Technologies S. de R. L. de C. V(Mexico). (Infosys Mexico)	403	–
Infosys Poland Sp z.o.o	2,386	–
Infosys Technologies (Sweden) AB (Infosys Sweden)	2,767	–
Infosys Limited	845,225	(4 293)
Infosys BPM Limited	3,806	2 116
Infosys McCamish Systems LLC	8,146	–
Portland Group Pty Ltd	1,410	–
Infosys Corp. LTDA (BR)	2,064	–
Infosys Singapore Pte. Ltd	1,405	–
Infosys Middle East FZ LLC	1,792	–
Total	981,471	(1 767)

(c) Benefits and loans provided to the members of statutory and supervisory bodies

In the years ended March 31, 2024 and 2023, the Company did not provide any benefits and loans to the members of its statutory bodies.

12. Services

The total costs of services amounted to CZK 175,056 thousand (March 31, 2023: CZK 376,419 thousand), which principally included the lease expenses in the amount of CZK 56,497 thousand (March 31, 2023: CZK 42,199 thousand).

13. Other operating expenses

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

14. Employees and managers

The average re-calculated number of employees and managers, and the staff costs for the years ended March 31, 2024 and 2023 were as follows:

(In CZK thousand)

Year ended March 31, 2024	Headcount	Payroll costs	Social security and health insurance costs	Social costs
Employees	1,275	786,805	268,907	50,316
Managers	1	4,023	922	15
Total	1,276	790,828	269,829	50,331

(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

15. Estimated receivables

Total estimated receivables amounted to CZK 47,612 thousand (March 31, 2023: CZK 99,206 thousand) and included estimated unbilled services of CZK 47,612 thousand (March 31, 2023: CZK 99,206 thousand) and accrual contracts income.

16. Estimated payables

Total estimated payables amounted to CZK 156,299 thousand (March 31, 2023: CZK 203,886 thousand) and included estimated unbilled services as well as items included in remuneration of employees.

17. Accrued expenses

Total accrued expenses amount to CZK 15,238 thousand (March 31, 2023: CZK 13,871 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.

18. Deferred income

Total deferred income amounts to CZK (2) thousand (March 31, 2023: CZK 103 thousand) and represents deferred income from long-term projects with customers.

19. Other financial expenses and income

Other financial expenses in the amount of CZK 21,753 thousand (March 31, 2023: CZK 38,660 thousand) and other financial income in the amount of CZK 45,936 thousand (March 31, 2023: CZK 21,423 thousand) principally included realized and unrealized foreign exchange rate gains and losses.

20. Due amounts arising from Social Security and health insurance

The amounts due arising from social security and health insurance amounted to CZK 21,428 thousand (March 31, 2023: CZK 21,428 thousand), of which the amount of CZK 12,021 thousand (March 31, 2023: CZK 15,756 thousand) included estimated social security payments by the employer and the amount of CZK 4,328 thousand (March 31, 2023: CZK 5,672 thousand) included estimated health insurance payments by the employer. As of March 31, 2024, and 2023, these estimated due amounts are reported in the line 'Estimated payables'. None of these amounts were past their due dates.

21. Fees paid to the Statutory Auditor

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

22. Income taxation

(a) Tax currently payable

The income tax payable comprises the estimated tax amount for the taxation period ended March 31, 2024 in the amount of CZK 0 thousand (taxation period ended March 31, 2023: CZK 1,875 thousand), and an adjustment of the estimated income tax for the taxation period ended March 31, 2023 of CZK 15,689 thousand (taxation period ended March 31, 2022: CZK 5,482 thousand).

(b) Deferred tax

(In CZK thousand)

Asset	Asset		Liabilities	
	Balance at March 31, 2024	Balance at March 31, 2023	Balance at March 31, 2024	Balance at March 31, 2023
Fixed assets	7,496	5,380	–	–
Receivables	53	53	–	–
Reserves	4,682	8,087	–	–
Other temporary differences	10,911	–	–	–
Deferred tax asset/(liability)	23,142	13,520	–	–

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, 2024.

In line with the accounting policies presented in Note 2 (f) above, in calculating deferred tax as of March 31, 2024, the applied tax rate amounted to 21% (2023 – 19%).

23. Off-Balance Sheet Commitments

The Company has no contractual liabilities reported off the Balance Sheet. The Company is not aware of any contingent liabilities.

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

24. Cash Flow Statement

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

(In CZK thousand)

Particulars	Balance at March 31,	
	2024	2023
Total current financial assets	**211,794**	233,280
Cash and cash equivalents	**211,794**	233,280

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

25. Significant Post Balance Sheet Events

Between April 1, 2024, and the date of these financial statements, the following changes were made to the Register of Companies: none.

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, 2024.

Prepared on:	Signature of the statutory body or natural person who acts as the entity
29-May-24	RITESH GANDHI
	Statutory Executive

Report on related party transactions

Report on relations

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, 2023 – March 31, 2024 (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 is stated as at March 31, 2024 and is 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 Annexure 1.

Controlling person:	Infosys BPM Limited, Plot Nos. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bengaluru, 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, it leverages the benefits of service delivery globalization, process redesign, and technology to drive efficiency and cost-effectiveness into clients' business processes. By managing their business processes, the Company improves their competitive position and provides increased value. The Company is a leading provider of business process management services to organizations that outsource their business processes.

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

3) Manner and means of control of the Company

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

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

In the Decisive Period, the Company made no actions in the interest or at the initiative of the controlling person or persons controlled by the controlling person which related to property exceeding 10 percent of the equity of the Company asserted in accordance with the last financial statements.

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

a) Contracts between the controlled and the controlling person:

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

(In CZK thousand)

Particulars	Sales for the Decisive Period	Purchases for the Decisive Period in
Infosys BPM Limited	5,185	2,391
Infosys Limited	971,481	-66

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

During the entire decisive period, the subcontracting agreement between the Company (as vendor, respectively supplier) and 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	383
Infosys Automotive and Mobility GmbH & Co. KG	77,619
Infosys Turkey Bilgi Teknolojileri Limited Sirketi	2,867
Infosys Austria GmbH	462
Infosys Technologies (China) Co. Limited (Infosys China)	2,292
Infosys Consulting S.R.L.(Lodestone Argentina)	206
Infosys Consulting (Belgium) NV	941
Infosys Consulting (Lodestone Brazil)	1,826
Infosys Consulting (Lodestone Switzerland)	364
Infy Consulting Company Ltd	3,768

Particulars	Sales for the Decisive Period
Infosys Consulting S.R.L. (Romania)	528
Infosys Consulting (Lodestone Singapore)	284
Infosys Luxembourg S.a.r.l	3
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	165
Infosys Poland Sp z.o.o	2,499
Infosys Technologies (Sweden) AB (Infosys Sweden)	1,286
Infosys Middle East FZ-LLC	50
Infosys McCamish Systems LLC	5,402

(In CZK thousand)

Particulars	Purchases for the Decisive Period
Infosys Technologies (China) Co. Limited (Infosys China)	119

6) Assessment of detriment and assessment of its settlement

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

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

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

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

On May 29, 2024

Ritesh Gandhi,
Statutory Executive

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

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Portland Group Pty. Ltd.

Independent Auditor's Report

To the Members of Portland Group Pty Limited

Opinion

We have audited the financial report of Portland Group Pty Limited (the "Company") which comprises the statement of financial position as at 31 March 2024, the statement of profit or 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 material accounting policy information and the directors' declaration.

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

- Giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures 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 & 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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 2024, 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 the Australian Accounting Standards – Simplified Disclosures 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 skepticism 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.

David Sartorio
Partner

Deloitte Touche Tohmatsu
Chartered Accountants

Date: 24 May, 2024
Place: Parramatta

Directors' report

The Directors present their report together with the financial report of Portland Group Pty Ltd (the Company), for the financial year ended 31 March 2024 and the auditor's report thereon.

1. Directors

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

Mr. Andrew James Jarvis

Mr. Andrew Stewart Groth

Mr. Abhay Harigobind Das Chauhan

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

2. Principal activities

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

3. Operating and financial review

The profit after tax for the year ended 31st March 2024 amounted to $2,040,700 (2023: profit after tax of $4,951,223). This was primarily a result of increase of revenue from $56,033,417 for the year ended March 31, 2023 to $63,506,497 for the year ended March 31, 2024 off-set by increase in cost of sales from $ 47,364,332 for the year ended 31st March 2023 to $58,168,044 for the year ended 31st March 2024.

4. 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.

5. 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.

6. 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.

7. 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.

8. Lead auditor's independence declaration

The Lead auditor's independence declaration forms part of the directors' report for the financial year ended March 31, 2024.

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

This report is made with a resolution of the directors:

Andrew Jarvis
Director

Date: 24 May 2024
Place: Sydney

Statement of Financial Position

(In AUD)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Current assets			
Cash and cash equivalents	12a	11,175,959	22,564,144
Trade and other receivables	10	20,810,997	14,226,385
Income tax assets		1,377,118	–
Prepayments	11a	273,683	1,046,485
Other current assets	11c	348,511	113,919
Total current assets		33,986,268	37,950,933
Non-current assets			
Deferred tax assets	16a	624,798	514,072
Property, plant and equipment	13	98,784	157,264
Right-of-use assets	19	1,744,839	1,132,761
Trade and other receivables	10	7,415,158	870,606
Prepayments	11b	23,153	1,344
Other non-current assets	11d	448,455	349,679
Total non-current assets		10,355,187	3,025,726
Total assets		44,341,455	40,976,659
Liabilities			
Current liabilities			
Trade and other payables	14	1,381,430	3,260,648
Lease liabilities	19	955,183	555,565
Current tax liabilities (net)		–	119,450
Provisions	17	29,993	24,770
Employee benefit obligations	18	4,035,794	4,847,892
Other current liabilities	15	20,318,795	12,298,506
Total current liabilities		26,721,195	21,106,831
Non-current liabilities			
Lease liabilities	19	1,597,307	997,637
Employee benefit obligations	18	565,469	549,847
Other non-current liabilities	15	6,708,609	1,842,169
Total non-current liabilities		8,871,385	3,389,653
Total liabilities		35,592,580	24,496,484
Net assets		8,748,875	16,480,175
Equity			
Share capital	25a	3,389,049	3,389,049
Retained earnings		5,359,826	13,091,126
Total equity		8,748,875	16,480,175
Total liabilities and equity		44,341,455	40,976,659

The notes on page 558 to 572 are an integral part of these financial statement.

Statement of Profit or Loss and Other Comprehensive Income

(In AUD)

Particulars	Note	Years ended March 31, 2024	2023
Revenue	5	63,506,497	56,033,417
Cost of sales	6	(58,168,044)	(47,364,332)
Gross profit		5,338,453	8,669,085
Selling and distribution expenses		(78,071)	(115,739)
Administrative expenses		(2,620,711)	(1,705,528)
Operating profit		2,639,671	6,847,818
Finance income	7	358,378	306,831
Finance costs		(78,851)	(79,416)
Net finance income		279,527	227,415
Profit before tax		2,919,198	7,075,233
Income tax expense	16b and c	(878,498)	(2,124,010)
Profit after tax		2,040,700	4,951,223
Other comprehensive income			
Items that will never be reclassified to profit or loss:		–	–
Items that are or may be reclassified subsequently to profit or loss:		–	–
Other comprehensive income, net of tax		–	–
Total comprehensive income		2,040,700	4,951,223

The notes on page 558 to 572 are an integral part of these financial statement.

Statement of Cash Flows

(In AUD)

Particulars	Note	Years ended March 31, 2024	Years ended March 31, 2023
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		63,272,535	59,000,211
Cash paid to suppliers and employees		(63,505,597)	(49,357,506)
Cash generated from operations		(233,062)	9,642,705
Net income taxes paid		(997,948)	(1,957,898)
Net cash(used in) / from operating activities	12b	(1,231,010)	7,684,807
Cash flows from investing activities			
Interest received on deposit with bank	7	318,180	146,310
Interest income on loan to subsidiary	7	–	115,807
Purchase of plant equipment	13	(14,907)	(154,362)
Net cash from investing activities		303,273	107,755
Cash flows from financing activities:			
Payment of lease liability	19	(688,448)	(80,372)
Dividends paid	25(b)	(9,772,000)	–
Net cash used in financing activities		(10,460,448)	(80,372)
Net (decrease) / increase in cash and cash equivalents		(11,388,185)	7,712,190
Cash and cash equivalents at April 1		22,564,144	14,851,954
Cash and cash equivalents as at March 31	12a	11,175,959	22,564,144

The notes on page 558 to 572 are an integral part of these financial statement.

Statement of Changes in Equity

(In AUD)

Particulars	Share capital	Retained earnings	Total equity
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	–	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 as at March 31, 2023	3,389,049	13,091,126	16,480,175
Balance as on April 1, 2023	3,389,049	13,091,126	16,480,175
Total other comprehensive income	–	–	–
Profit for the year	–	2,040,700	2,040,700
Total comprehensive income	3,389,049	15,131,826	18,520,875
Transactions with owners of the Company			
Issue of ordinary shares	–	–	–
Dividends	–	(9,772,000)	(9,772,000)
Total transactions with owners of the Company	–	(9,772,000)	(9,772,000)
Balance as at March 31, 2024	3,389,049	5,359,826	8,748,875

The notes on page 558 to 572 are an integral part of these financial statement.

Notes to the financial statements

1. Reporting entity

Portland Group Pty Ltd ("the Company") is a Company domiciled in Australia. The Company's registered office and principal place of business is Suite 9.01,Level 9, 130 Pitt Street, Sydney NSW 2000, Australia. The parent of the Company is Infosys BPM Limited, India and the ultimate parent is Infosys Limited, India. The Company is a for-profit entity and primarily is involved in provision of project-based consultancy support and ongoing management services to improve the Company's profitability in the long term.

2. Basis of preparation

(a) Statement of compliance

The Company is for profit entity and the financial statements have been prepared as a general purpose financial report to satisfy the directors' reporting requirements under Corporations Act 2001. 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 judgments

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

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

(e) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending March 31, 2024 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 19).

3. Material 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 recognized ratably over the term of the underlying maintenance arrangement.

(b) Non-maintenance:

Efforts or costs expended have been used to measure progress toward 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 AASB 15 to account for revenues from these performance obligations. ATS revenue is recognized 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, revenue is recognized on a net basis—revenue less costs. (Refer to Note 5).

Time & Material:

Revenue on time-and-material contracts is recognized using an 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 recognized as unbilled revenue.

Uncertainty:

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress toward 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 to as unbilled revenue), while invoicing in excess of revenues is 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 represent 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 bonuses 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 with respect to 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 repayment 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 when the Company can no longer withdraw the offer of those benefits or when it recognizes costs for restructuring. If benefits are payable more than 12 months after the reporting date, 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 with respect to 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 in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

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

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

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

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

(iii) Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment 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 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	2024
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

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 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, canceled or expired.

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 the lease agreement and Interest accrued but not due on fixed deposits made to the 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 ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. 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.

(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.

4. New and amended AASB Standards that are effective for the current year

At the date of authorization of these financial statements, the Company has not applied the new and revised AASB standards that have been issued but not yet effective. These standards, amendments or interpretations are not expected to have a material impact on the Company in current or future.

Standard / Amendment	Impact
AASB 17 Insurance Contracts (as amended)	No material impact
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	No material impact
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	No material impact
AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform –Pillar Two Model Rules: Tier 2 Disclosures	Note 16

5. Revenue

(In AUD)

Particulars	As at March 31,	
	2024	2023
Related party revenue	**6,529,183**	18,205,719
Third party revenue (Principal)	**56,977,314**	37,827,698
	63,506,497	56,033,417

At March 31, 2024, the Company has deferred revenue of $179,485 (2023: $1,684,513), which represents the fair value of that portion of the revenue and the Company has unbilled revenue of $23,271,221 (2023: $6,728,111).

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,	
	2024	2023
Fixed price	**47,692,269**	25,808,606
Time and materials	**15,814,228**	30,224,811
Total	**63,506,497**	56,033,417

Revenues by period of recognition

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Over the period	29,417,584	40,495,843
Point in time	34,088,913	15,537,574
Total	63,506,497	56,033,417

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 is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Statement of financial position.

6. Cost of sales

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefit expense	16,670,392	23,076,099
Cost of third-party software	37,268,702	19,415,511
External contractor expense and others	4,228,950	4,872,722
	58,168,044	47,364,332

7. Finance income

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest income from deposits with banks	318,180	146,310
Interest income on prepaid contract cost	23,294	39,127
Interest income on loan to subsidiary	–	115,807
Finance income under revenue deals	16,298	5,587
Miscellaneous income	606	–
	358,378	306,831

8. Auditors' remuneration

(In AUD)

Particulars	As at March 31,	
	2024	2023
Audit of financial statements – Deloitte Touche Tohmatsu	28,350	28,350
	28,350	28,350

9. Expenses by nature

(In AUD)

Particulars	As at March 31,	
	2024	2023
Depreciation (Refer to Note 13)	73,386	73,362
Employee benefits	17,573,756	24,010,430
Amortization on ROU assets (Refer to Note 19)	558,364	399,900
Interest expenses on leases liability (Refer to Note 19)	55,557	40,289
Finance expense under revenue deals	23,294	39,127

10. Trade and other receivables

(In AUD)

Particulars	As at March 31,	
	2024	2023
Current		
Trade receivables	4,399,433	3,211,400
Unbilled revenue	15,856,063	5,857,505
	20,255,496	9,068,905
Amounts due from related party (Trade receivables, other receivables and unbilled revenue - Refer to Note 23)	555,501	5,157,480
	20,810,997	14,226,385
Non-current		
Unbilled revenue	7,415,158	870,606
	7,415,158	870,606

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 nil exist as on March 31, 2024 and March 31, 2023 respectively. Also, an exposure to credit risk from trade receivables and unbilled revenue amounting to AUD 183,375 and AUD 53,787 exist as on March 31, 2024 and March 31, 2023 respectively.

11.a. Prepayments (current)

(In AUD)

Particulars	As at March 31,	
	2024	2023
Prepaid expenses	253,601	584,257
Loans and advances to employees	20,082	44,811
Prepaid contract cost	–	417,417
	273,683	1,046,485

11.b. Prepayments (non-current)

(In AUD)

Particulars	As at March 31,	
	2024	2023
Prepaid expenses	23,153	1,344
	23,153	1,344

11.c .Other current assets

(In AUD)

Particulars	As at March 31,	
	2024	2023
Advances to PF trust	1,684	–
Interest accrued	–	5,622
GST receivable	–	76,046
Investment in lease	308,235	–
Other current assets	38,592	32,251
	348,511	113,919

11.d. Other non-current assets

(In AUD)

Particulars	As at March 31,	
	2024	2023
Investment in lease	448,455	349,679
	448,455	349,679

12.a. Cash and cash equivalents

(In AUD)

Particulars	As at March 31,	
	2024	2023
Cash at bank	11,175,959	22,564,144
	11,175,959	22,564,144

12.b. Cash flows from operating activities

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of cash flow from operations with profit after income tax	2,040,700	4,951,223
Adjustments for:		
Depreciation and amortization	631,750	473,261
Deferred tax assets	(110,725)	62,902
Net tax assets (liabilities)	(119,450)	103,214
Finance income	16,298	5,587
Miscellaneous income	606	–
Finance cost	78,851	79,416
	2,538,030	5,675,603
Changes in:		
Trade and other receivables	(6,584,612)	(2,636,550)
Other current and non-current assets	(6,877,919)	485,624
Prepayments	750,993	803,209
Trade and other payables	(1,879,219)	2,456,954
Other current and non-current liabilities	12,886,730	(694,012)
Provisions	5,223	(1,165)
Employee benefits obligation	(796,477)	1,901,975
Finance income	(358,378)	(306,831)
Dealer type lease cost	461,737	–
Income tax asset	(1,377,118)	–
Net cash from operating activities	(1,231,010)	7,684,807

13. Property, plant and equipment

(In AUD)

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Cost				
Balance at April 1, 2022	26,514	60,607	629,473	716,594
Additions	–	–	154,362	154,362
Disposals	(2,591)	(7,550)	(265,464)	(275,605)
Balance at March 31, 2023	23,923	53,057	518,371	595,351
Balance at April 1, 2023	23,923	53,057	518,371	595,351
Additions	1,605	–	13,302	14,907
Disposals	–	(37,757)	(11,064)	(48,821)
Balance at March 31, 2024	25,528	15,300	520,609	561,437
Accumulated depreciation				
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)	(275,605)
Balance at March 31, 2023	18,831	53,057	366,199	438,087
Balance at April 1, 2023	18,831	53,057	366,199	438,087
Depreciation	1,857	–	71,529	73,386
Disposals	–	(37,757)	(11,064)	(48,821)

Particulars	Plant and machinery	Furniture and fixtures	Computer equipment	Total
Balance at March 31, 2024	20,688	15,300	426,664	462,652
Carrying amounts				
At March 31, 2023	5,092	–	152,172	157,264
At March 31, 2024	4,839	–	93,944	98,784

14. Trade and other payables

(In AUD)

Particulars	As at March 31,	
	2024	2023
Trade payables	186,753	811,758
Amounts due to related party	1,194,677	2,448,890
	1,381,430	3,260,648

15. Other current liabilities

(In AUD)

Particulars	As at March 31,	
	2024	2023
Accrued expenses – cost of third-party software	18,958,419	9,076,469
Accrued expenses – others	622,872	693,320
Deferred revenue	179,485	1,684,513
Withholding taxes payable	245,960	54,077
Accrued expenses – inter-company	–	394,147
Financial liabilities under revenue deals (current)	311,216	395,137
Loans and advances to employees	843	843
	20,318,795	12,298,506
Non-current		
Accrued expenses – cost of third-party software	6,701,496	1,562,627
Financial liabilities under revenue deals (non-current)	7,113	279,542
	6,708,609	1,842,169

16. Tax assets and liabilities

(a) Deferred tax assets

(In AUD)

Particulars	As at March 31,	
	2024	2023
Deferred tax assets due to timing differences:		
Provision for doubtful debts	56,622	16,792
Provision for employee benefits	559,683	492,446
Provision for post-sales customer support	8,998	7,431
Deferred tax liabilities	(505)	(2,597)
Net Deferred tax assets	624,798	514,072

(b) Reconciliation of effective tax rate

(In AUD)

Particulars	As at March 31,	
	2024	2023
Profit before tax	2,919,198	7,075,233
Tax using the Company's domestic tax rate of 30% (2022: 30%)	875,759	2,122,570
Adjustments in respect of prior years	(36,169)	(49,335)
Non-deductible expenses	38,908	50,775
Income tax expense for the period	878,498	2,124,010

(c) Income tax expense

(In AUD)

Particulars	As at March 31,	
	2024	2023
Corporation income tax		
Current year	1,025,392	2,110,446
Adjustments in respect of prior years	(36,169)	(49,335)
	989,223	2,061,111
Deferred tax expense		
Origination and reversal of temporary differences	(110,725)	62,899
Income tax expense for the period	(110,725)	62,899
Total income tax expense	878,498	2,124,010

(d) The Company has applied the temporary exception issued by IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Company neither recognizes nor discloses information about deferred tax asset and liabilities related to piller two income taxes.

17. Provisions

(In AUD)

Particulars	As at March 31,	
	2024	2023
Provision for post service client support	29,993	24,770
	29,993	24,770
The movement in provisions is as follows :	2024	2023
Balance at the beginning	24,770	25,935
Provision recognized/ (reversed)	5,223	(1,165)
Balance at the end	29,993	24,770

18. Employee benefit obligations

(In AUD)

Particulars	As at March 31,	
	2024	2023
Current		
Provision for employee bonuses	2,735,653	3,756,250
Annual leave	879,693	781,158
Long service leave	420,448	310,484
	4,035,794	4,847,892
Non-current		
Long service leave	565,469	549,847
	565,469	549,847

19. Leases

Leases as lessee

The changes in the carrying value of right-of-use assets are as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Opening balance	1,132,761	1,313,578
Additions	1,549,147	308,509
Deletions	(378,705)	(89,426)
Amortization	(558,364)	(399,900)
Closing balance	1,744,839	1,132,761

The movement in lease liabilities during the years ended March 31, 2024 and March 31, 2023 is as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Opening balance	1,553,203	1,374,203
Additions	1,632,178	308,509
Deletions	–	(89,427)
Finance cost accrued during the year	55,557	40,289
Payment of lease liabilities	(688,448)	(80,372)
Closing balance	2,552,490	1,553,202

The break-up of current and non-current lease liabilities is as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Current lease liabilities	**955,183**	555,565
Non-current lease liabilities	**1,597,307**	997,637
Total	**2,552,490**	1,553,202

The details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31,2023 on an undiscounted basis are as follows:

(In AUD)

Particulars	As at March 31,	
	2024	2023
Less than one year	**964,589**	592,162
One to five years	**1,659,651**	1,009,346
Total	**2,624,240**	1,601,508

20. Key Management Personnel 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,	
	2024	2023
Short-term employee benefits	**557,622**	794,205

21. Financial instruments

Financial instruments by category

(In AUD)

Particulars	As at March 31,	
	2024	2023
Financial assets		
Cash and cash equivalents	**11,175,959**	22,564,144
Trade and other receivables	**28,089,685**	14,787,729
Other current assets	**348,511**	113,919
	39,614,155	37,465,792
Non-financial assets	**2024**	2023
Trade and other receivables	**136,469**	309,262
Financial liabilities		
Lease liability	**2,552,490**	1,553,203
Trade and other payables	**1,381,430**	3,260,648
Other financial liabilities	**26,528,738**	11,386,484
	30,462,658	16,200,335

22. Capital commitment, contingent liabilities and financing facilities

a. Capital commitment

(In AUD)

Particulars	As at March 31,	
	2024	2023
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	**50,005**	5,744
	50,005	5,744

b. Contingent liabilities

In the opinion of the Management, there are no contingent liabilities as at March 31, 2024 (2023: Nil)

c. Financing facilities

(In AUD)

Particulars	As at March 31,	
	2024	2023
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 years ended March 31, 2024 and March 31, 2023 are as follows:

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Purchase of services		
Infosys Limited	(56,333)	102,096
Infosys BPM Limited	1,342,852	1,057,342
Infosys (Czech Republic) Limited s.r.o.	25,595	93,168
Infosys Technologies (China) Co. Limited (Infosys China)	4,416	15,027
	1,316,530	1,267,633
Sale of services		
Infosys Limited	6,140,577	17,006,637
Infosys BPM Limited	388,606	1,199,082
	6,529,183	18,205,719
Purchase of shared services		
Infosys Limited	144,514	132,960
Infosys Automotive and Mobility GmbH & Co. KG	3,177,974	–
	3,322,488	132,960
Sale of shared services		
Infosys Limited	(60,464)	60,464
	(60,464)	60,464

The details of the amount due to or due from the related parties as at 31st March 2024 and 31st March 2023 are as follows

(In AUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Infosys Limited	539,128	5,014,219
Infosys BPM Limited	10,831	109,366
	549,959	5,123,585
Other receivables		
Infosys Limited	5,543	5,543
Infosys BPM Limited	–	28,353
	5,543	33,896
Trade payables		
Infosys Limited	9,399	–
Infosys BPM Limited	92,749	182,762
Infosys (Czech Republic) Limited s.r.o.	2,034	61,025
Infosys Technologies (China) Co. Limited (Infosys China)	323	9,017
	104,505	252,804
Other payables		
Infosys Limited	352,656	91,640
Infosys Automotive and Mobility GmbH & Co. KG	737,516	2,104,447
	1,090,172	2,196,087

Particulars	As at March 31,	
	2024	2023
Accrued expense	–	394,147
Infosys Limited	–	394,147

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,	
	2024	2023
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,	
	2024	2023
Dividend declared and paid	9,772,000	–
	9,772,000	–

Dividend franking account

(In AUD)

Particulars	As at March 31,	
	2024	2023
30 per cent franking credits available to shareholders of Portland Group Pty Ltd for subsequent financial years	3,175,328	5,215,875
	3,175,328	5,215,875

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

a. franking credits/ debits that will arise from the payment/ receipts of the current tax liabilities/ assets;

b. franking debits that will arise from the payment of dividends recognized as a liability at the year-end;

c. franking credits that will arise from the receipt of dividends recognized as receivables by the tax consolidated company at the year-end; and

d. franking credits that the entity may be prevented from distributing in subsequent years.

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

26. Events subsequent to reporting date

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 06 to 24, are in accordance with the Corporations Act 2001, including

(i) giving a true and fair view of the financial position of the Company as at March 31, 2024 and of its performance for the financial year ended on that date; and

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

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

Signed in accordance with a resolution of directors.

Andrew Jarvis
Director

Date: 24 May 2024

Place: Sydney

Infosys BPO Americas LLC

Independent Auditors' Report

To, 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, 2024, and March 31, 2023 the related statements of income from operations, changes in membership interest and cash flows for the years 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 Infosys BPO Americas LLC as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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.

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 the 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 the 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 the 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.

For Rakesh Jain, CPA PC

Rakesh Jain
Certified Public Accountants

Place: New Delhi, India

Date: May 20, 2024

Balance Sheet

(In US$)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	8,346,165	3,512,052
Accounts receivables, net of doubtful balances	1,044,510	1,981,365
Unbilled revenue	1,131,289	734,132
Income tax assets	1,783,249	413,107
Prepayments and other assets	190,852	58,562
Total current assets	12,496,065	6,699,218
Non-current assets		
Deferred tax assets	42,575	21,288
Plant and equipment	136,683	118,785
Total non-current assets	179,258	140,073
Total assets	12,675,323	6,839,291
Liabilities and Membership Interest		
Current liabilities		
Trade payables	20,628	110,201
Income tax liabilities	1,742,850	397,193
Provisions	27,393	20,408
Other liabilities	1,721,360	1,790,839
Total current liabilities	3,512,231	2,318,641
Membership Interest		
Member's equity	17,750,000	17,750,000
Accumulated deficit	(8,586,908)	(13,229,350)
Total member's equity	9,163,092	4,520,650
Total liabilities and member's equity	12,675,323	6,839,291

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Statements of Comprehensive Income

(In US$)

Particulars	For the years ended March 31, 2024	2023
Revenue	14,478,357	14,864,999
Cost of revenue	8,355,649	11,212,005
Gross Profit	6,122,708	3,652,994
Other expenses:		
Selling and marketing expenses	–	–
Administrative expenses	314,753	340,087
Total other expenses	314,753	340,087
Operating Profit	5,807,955	3,312,907
Miscellaneous income	(175,379)	(51,780)
Profit before income taxes	5,983,334	3,364,687
Income tax expense	1,337,926	375,464
Net Profit	4,645,408	2,989,223
Other comprehensive income	(2,966)	(1,008)
Net Income	4,642,442	2,988,215

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Statements of Changes in Member's Equity

(In US$)

	Capital contribution	Members Distribution	Net Income (loss)	Retained earnings	Total Membership Interest Surplus/ (Deficit)
Balance as of April 1, 2022	1,000,000	16,750,000	(9,300,293)	(6,917,272)	1,532,435
Net income for the year 2023	–	–	2,988,215	–	2,988,215
Additional capital introduced	–	–	–	–	–
Distributions	–	–	–	–	–
Adjustment	–	–	9,300,293	(9,300,293)	–
Balance as of March 31, 2023	1,000,000	16,750,000	2,988,215	(16,217,565)	4,520,650
Balance as of April 1, 2023	1,000,000	16,750,000	2,988,215	(16,217,565)	4,520,650
Net income for the year 2024	–	–	4,642,442	–	4,642,442
Additional capital introduced	–	–	–	–	–
Distributions	–	–	–	–	–
Adjustment	–	–	(2,988,215)	2,988,215	–
Balance as of March 31, 2024	1,000,000	16,750,000	4,642,442	(13,229,350)	9,163,092

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Statement of Cash Flows

(In US$)

Particulars	For the years ended March 31, 2024	2023
Cash flows from operating activities		
Net Profit for the period	4,645,408	2,989,223
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	1,337,926	375,464
Provision for service level risk on revenue contracts	6,985	(36,724)
Loss on sale of plant and equipment	–	–
Allowance for doubtful accounts	(53,285)	6,095
Depreciation	94,189	53,066
Exchange difference	10,668	(13,676)
Cash operating income	6,041,891	3,373,448
changes in operating assets and liabilities		
Accounts receivable	971,591	255,745
Prepayments and other assets	(133,224)	(3,228)
Unbilled revenues	(388,343)	1,214,609
Trade payables	(89,573)	(3,034,110)
Unearned revenue	–	(66,391)
Other liabilities and provisions	(86,000)	(2,275,221)
Income taxes paid	(1,370,142)	(413,107)
Net cash generated / (used) in operating activities	4,946,200	(948,255)
Cash flows from investing activities		
Fixed assets purchased	(112,087)	(156,501)
Net cash used in investing activities	(112,087)	(156,501)
Cash flows from financing activities		
Capital Infusion	–	–
Net cash generated in financing activities	–	–
Net increase(decrease) in cash and cash equivalents	4,834,113	(1,104,756)
Cash and cash equivalents at the beginning of the period	3,512,052	4,616,808
Cash and cash equivalents at the end of the period	8,346,165	3,512,052

The accompanying notes form an integral part of the financial statements

Vasudeva Maipady
Authorized Signatory

Date: May 20, 2024

Notes to the financial statements

1. Company overview and significant accounting policies

1.1 Company overview

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

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

1.2 Basis of preparation of financial statements

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

1.3 Use of estimates

The preparation of financial statements is in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires 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 Cash and cash equivalents

The Company defines cash equivalents as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. The Company did not hold any cash equivalents as of March 31, 2024. The Company maintained cash balances in two bank accounts as of March 31, 2024.

1.6 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 whichever 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. The 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.

1.7 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 Investments

The Company carries no investment in marketable Securities.

1.10 Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations.

1.11 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.

The expense / (benefit) for income taxes for the years ended March 31, 2024, and 2023, is as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Income tax Expenses	1,359,621	392,417
Total	1,359,621	392,417

(In US$)

Particulars	As at March 31,	
	2024	2023
Income tax liabilities	1,742,850	397,193
Total	1,742,850	397,193

During the period deferred tax has been calculated as follows:

(In US$)

Particulars	For the year ended March 31,	
	2024	2023
Deferred Tax (Benefit)/ Expense	(21,695)	(16,953)
Total	(21,695)	(16,953)

(In US$)

Particulars	As at March 31,	
	2024	2023
Deferred Tax Asset	42,575	21,288
Total	42,575	21,288

1.12 Sales and marketing

The Company expenses the cost of advertisement as incurred. Sales & Marketing expenses amounts to Nil and Nil for the years ended March 31, 2024 and March 31, 2023, respectively.

1.13 Fair Value Measurement

Company uses fair value to measure certain financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs -Level 3).

The fair value option allows entities to choose at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. Company did not elect the fair value option for the measurement of any eligible assets or liabilities.

Infosys BPO Americas, LLC's financial instruments (primarily cash and cash equivalents, receivables and payables) are carried in the accompanying statement of financial position at amounts, which reasonably approximate fair value.

2. Membership Interest

At March 31, 2024, 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,	
	2024	2023
Current Account	8,346,165	3,512,052

4. Cost of Revenue

(In US$)

Particulars	For the years ended March 31, 2024	2023
Salaries	8,022,969	10,430,187
Subcontractor charges	37,640	205,440
Others	295,040	576,378
Total	8,355,649	11,212,005

5. Other Expenses

(In US$)

Particulars	For the years ended March 31, 2024	2023
Legal & Professional charges	104,691	56,688
Others (Salaries, Insurance & Rates and taxes)	210,062	283,399
Total	314,753	340,087

6. Related party transactions

A related party transaction is one, which takes place between two parties and between the company and its affiliates/ related party through a relative of the member who owns the company and by having the common or significant control/ interest and also between the company and employees of the affiliate company.

The company identifies transactions from its related party and provides its disclosures in accordance with the generally accepted accounting principles in the United States of America

Name of the related party and their relationships:

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

The details of the related party transactions entered into by the company during the years ended March 31, 2024 and March 31, 2023 as as follows

(In US$)

Particulars	As at March 31, 2024	2023
Unbilled revenues		
Infosys BPM Limited	–	44,875
	–	44,875
Other receivables		
Infosys BPM Limited	74	751
Infosys Limited	432	–
	506	751
Trade payables		
Infosys BPM Limited	–	1,857
Infosys Limited	28,077	14,198
	28,077	16,055
Other payables		
Infosys BPM Limited	391,322	123,272
Infosys McCamish	9,171	8,992
	400,493	132,264

The details of related party transactions as at March 31, 2024 and March 31, 2023 as follows

Revenue Transactions:

(In US$)

Particulars	For the years ended March 31, 2024	2023
Purchase of services		
Infosys BPM Limited	12,106	403,939
Infosys Limited	–	5,527
	12,106	409,466
Purchase of shared services		
Infosys BPM Limited	427	1,237
Infosys Limited	78,310	75,194
Infosys McCamish	110,055	42,918
	188,792	119,349

7. Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and accounts receivable.

The Company had sales to 2 customers that individually contributed in excess of 5% of total revenue. The details are as follows:

(In US$)

Particulars	For the year ended March 31, 2024	2023
Number of Customers	2	3
Revenue Contributed	14,123,465	13,919,632
Total Revenue	14,478,357	14,864,999
Percentage of Total Revenue Contributed	98%	94%

8. Contingencies & Lawsuits

There are no contingencies or lawsuits pending as of March 31, 2024, (Previous year - NIL).

9. 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 20, 2024

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Infosys BPM UK Limited

Independent Auditor's Report

To the Members of Infosys BPM UK Limited

Opinion

We have audited the financial statements of Infosys BPM UK Limited (the 'Company') for the year ended 31 March 2024, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report

Other information

The director is responsible for the other information contained in the annual report. The other information comprises the information included in the Director's Report and the Statement of Director's Responsibilities, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director 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 director either intends 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 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 (UK) 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.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud and error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. The primary responsibility for prevention and detection of fraud rests with both those charged with governance of the entity and management.

Based on our understanding of the Company and the industry, discussions with the management, we identified Companies Act 2006, Financial Reporting Standard 102 Section 1A and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with the laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- evaluation of the selection and application of accounting policies related to subjective measurements and other transactions;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The potential effects of inherent limitations are particularly significant in case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit Singh FCA
(Senior Statutory Auditor)

For and on behalf of KNAV Limited,
Statutory Auditor

Hygeia Building

Ground Floor

66-68 College Road

Harrow

Middlesex

HA1 1BE

Date :May 28, 2024

Profit and Loss

(In GBP)

Particulars	Years ended March 31, 2024	2023
Turnover	–	–
Administrative expenses	38,915	21,790
Other operating income	3,326	–
Loss before taxation	(35,589)	(21,790)
Taxation	–	–
Loss for the financial year	(35,589)	(21,790)

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations. No other comprehensive income was recognized during the year or the prior year.

The notes on pages 1220 to 1221 form an integral part of these financial statements.

Balance Sheet

(In GBP)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
Current assets			
Cash at bank and in hand	4	60,501	81,400
Debtors	5	–	4,810
		60,501	86,210
Creditors amount falling due within one year			
Provisions	6	(17,880)	(8,000)
Net current assets		42,621	78,210
Total assets less current liabilities		42,621	78,210
Capital and reserves			
Called up share capital	7	100,000	100,000
Profit and loss account		(57,379)	(21,790)
Total equity		42,621	78,210

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to small companies regime within part 15 of the Companies Act, 2006.

The notes on pages 1220 to 1221 form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board and were signed on its behalf by :

Ritesh Gandhi
Director

Date: May 28, 2024

Statement of Changes in Equity

(In GBP)

Particulars	Called-up share capital	Profit and loss account	Total equity
At April 1, 2022	100	–	100
Contributions by and distribution to owners			
Shares issued during the year	99,900	–	99,900
Loss for the year	–	(21,790)	(21,790)
At March 31, 2023	100,000	(21,790)	78,210
Contributions by and distribution to owners			
Loss for the year	–	(35,589)	(35,589)
At March 31, 2024	100,000	(57,379)	42,621

The notes on pages 1220 to 1221 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Infosys BPM UK Limited ("the Company") is a private company limited by shares incorporated in England and Wales. Its registered office is 14th Floor, 10 Upper Bank Street, Canary Wharf, London, E14 5NP.

The financial statements were authorized for issue by the director on 28 May 2024.

2. Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and these financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

The functional and presentational currency is GBP Sterling (£), being the currency of the primary economic environment in which the Company operates in. The amounts are presented rounded to the nearest pound.

2.2 Going Concern

The Company meets its day-to-day working capital requirements through funds available with the Company. The Company's business plans, taking into account a severe but plausible change in trading performance, show that the Company should be able to operate within the levels of its current facilities. There is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future for at least a minimum period of 12 months from the date of the approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Any equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

2.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.5 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.6 Current and deferred taxation

The tax expense for the period comprises current tax. Tax is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax at a future date. Deferred tax assets are recognized only to the extent that the director consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

3. The average monthly number of persons employed by the Company during the year, was nil (2023: Nil). Directors' remuneration during the year was nil (2023: Nil).

4. Cash and cash equivalents

(In GBP)

Particulars	As at March 31,	
	2024	2023
Cash at bank	60,501	81,400

5. Debtors

(In GBP)

Particulars	As at March 31,	
	2024	2023
Prepaid expenses	–	4,510
Other receivables	–	300
Total	–	4,810

6. Creditors amount falling due within one year

(In GBP)

Particulars	As at March 31,	
	2024	2023
Provision for expenses	17,880	8,000

7. Equity share capital

(In GBP)

Particulars	As at March 31,			
	2024		2023	
	No.	Amount	No	Amount
Issued, subscribed and paid-up equity shares GBP 1 par value Shares allotted	100,000	100,000	100,000	100,000

Shares Alloted

During the previous year ended March 31, 2023, 99,900 ordinary shares were issued on June 1, 2022, for GBP 1 each. The shares have an aggregate nominal value of GBP 99,900. All of the 100,000 shares were paid in the fiscal 2023.

8. Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 102 Section 33.1A 'Related Party Disclosures' not to disclose transactions entered into between two or more members of a group, as the Company is a wholly-owned subsidiary undertaking of the group to which it is party to the transactions.

9. Events subsequent to reporting date

There have been no significant events affecting the Company since year end.

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Infosys BPM Limited, a company incorporated in India.

The parent undertaking of a largest and smallest group for which consolidated financial statements are prepared is Infosys Limited, incorporated in India. Consolidated financial statements are available to the public at its registered office address, which is Electronics City, Hosur Road, Bengaluru, 560100, India or from the website www.infosys.com

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